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PIVOTAL DETERRENCE AND U.S. SECURITY POLICY

IN THE TAIWAN STRAIT

by

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A Dissertation Submitted to the Faculty of Old Dominion University
in Partial Fulfillment of the Requirement for the Degree of

DOCTOR OF PHILOSOPHY

INTERNATIONAL STUDIES

OLD DOMINION UNIVERSITY
May 2007

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ABSTRACT

PIVOTAL DETERRENCE AND U.S. SECURITY POLICY
IN THE TAIWAN STRAIT

Charles D. Pasquale
Old Dominion University, 2007
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This dissertation presents a model of pivotal deterrence—a version the author loosely terms *holistic pivotal deterrence*—based on the model originally presented in Crawford's *Pivotal Deterrence: Third-Party Statecraft and the Pursuit of Peace*, and applies it to a regional case study of U.S. security policy in the Taiwan Strait; placing particular emphasis on the crisis junctures of 1954-55, 1958, 1962, and 1995-96. By contrasting this with other models of deterrence, it provides an alternative perspective with which to consider the empirical data on the United States-China-Taiwan relationship and developments in the Strait. By viewing the data through this lens, this research presents an assessment as to the validity of the holistic pivotal deterrence model in preventing an escalation in conflict, and also tests four hypotheses:

H_1: If either China or Taiwan had wished to engage in behavior contrary to the interests of the United States, they would have been more likely to do so if the United States had insured them against the risks of that behavior.

H_2: Deterrence was more likely to succeed when China's and Taiwan's alignment options were scarce.

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H_3: With the United States as a preponderant-power pivot, holistic pivotal deterrence was more likely to be applicable when interests in the Strait were secondary.

H_4: Holistic pivotal deterrence was likely to succeed when China and Taiwan each wanted to get or keep what benefits the United States could give or take away more than what they wanted to take from their rival.

The first two hypotheses reflect Crawford's original model, addressing the roles of insurance and alignment options. The third hypothesis contradicts the original model's views on the role of interests, and the fourth hypothesis goes beyond the original model—which focuses on elements of military power as a primary factor—to incorporate the role and effect of non-military power.

By examining these hypotheses in the full context of the political, military, social, and economic dynamics present in the Strait throughout the second half of the 20th century, this research identifies the strengths, weaknesses, and conditional factors of this modified pivotal deterrence model.

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This dissertation is dedicated
to my wife, Ann Caprio.

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ACKNOWLEDGEMENTS

I would like to thank all of my professors at Old Dominion University whose instruction, guidance, and experience helped me to complete my studies and this research. I specifically thank Dr. Regina Karp for chairing my dissertation and providing guidance throughout my research and for always being available for questions or discussions. I also thank Dr. Simon Serfaty, whose classes were a significant part of my experience at Old Dominion University, and also Dr. Jie Chen and Professor Shaomin Li for their guidance while serving on my committee.

I would also like to express my sincere gratitude to Dr. Timothy Crawford, whose previous work provided the basic foundation for this dissertation, and whose personal feedback helped me to shape the focus of my initial research and to direct my hypotheses. I also thank Ambassador Chas Freeman, Dr. Paul Heer, Mr. John Culver, Dr. Richard Bush, and Dr. Paul Godwin—all recognized China specialists—for volunteering their time to discuss their personal background, experience, perspectives, and knowledge about the regional dynamics, and whose feedback proved invaluable to this dissertation. Individually and combined, everyone mentioned here was instrumental in helping me reach my goal, for which I will always be grateful.

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TABLE OF CONTENTS

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.

Chapter Page

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LIST OF TABLES

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LIST OF FIGURES

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ABBREVIATIONS

AIT	American Institute in Taiwan
ASEAN	Association of South East Asian Nations
CIA	Central Intelligence Agency
CPP	Communist People's Party
DPROK	Democratic People's Republic of Korea (North Korea)
KMT	Kuomintang Party
MIG	Mikoyan-Gurevich; a Russian aircraft company
NIE	National Intelligence Estimate
PLA	People's Liberation Army
PLAAF	People's Liberation Army Air Force
PRC	People's Republic of China (mainland China)
ROC	Republic of China (Taiwan)
ROK	Republic of Korea (South Korea)
SACEUR	Supreme Allied Commander, Europe
SEATO	Southeast Asia Treaty Organization
U.S.	United States
USD	United States Dollar
U.S.S.R.	United Soviet Socialist Republic
WWI	World War I
WWII	World War II

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CHAPTER I

INTRODUCTION

The Taiwan Strait between 1949—when the Chinese Communists overthrew the ruling Nationalist Government of China, forcing them to flee to Taiwan—and 1996 has been the scene of four crisis periods involving the United States as a third-party deterrent force between mainland China (PRC) and Taiwan (ROC). Throughout these periods of crisis, the United States has tried to play a constraining role vis-à-vis the two aggressors. While China and Taiwan engaged in limited military operations against each other on several occasions these actions never escalated to full-scale conflict.

The leadership of both the Communist Chinese Government on the Mainland (in Beijing) and the Nationalist Chinese Government on Taiwan (in Taipei) believed they were the rightful rulers of all the Chinese people on both sides of the Strait. Because both considered themselves the legitimate rulers of all of China, neither would concede to the other and each developed a commitment toward reclaiming and assuming control over the territories and peoples of the other.

This dissertation examines U.S. security policy in the Taiwan Strait by introducing a new deterrence model and applying it to the United States-China-

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Taiwan trilateral relationship during several periods of crisis in the Strait; the purpose being to determine whether the model can account for the lack of full-scale conflict during the periods of high tension. This chapter introduces the basic concept of pivotal deterrence as applied to the relationship in the Strait since 1949, as well as early U.S. ties to the Strait and the junctures selected as case studies. It also introduces the general concepts and contexts under which the remainder of this research is presented, and concludes with an outline of the remaining chapters.

What were the factors that played into the trilateral relationship to maintain the degree of relative peace demonstrated in the Strait? How did U.S. security policy in the region create a constraining deterrent effect between these two actors—ideologically opposed to one another and dedicated to the other's downfall—without having to become militarily engaged in direct combat operations? What factors must be considered in designing a pivotal deterrence strategy for this type of situation? What factors might cause the strategy to succeed or to fail? These are the questions upon which this research will focus.

The United States prefers the status quo because it equals stability, and also because it incurs the least cost. For both China and Taiwan throughout this period, maintaining the status quo was a second-best option; the best option being to defeat and assimilate the other under their respective systems of government. For China or Taiwan to attain their best option by disrupting the status quo would have entailed the traditional costs of war—consuming expensive military resources, losing many lives and suffering many casualties,

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and the accompanying damage to China's and Taiwan's infrastructure from bomb and rocket attacks—but would also have potentially resulted in strengthening divisions between China and the West. The second-best option for China and Taiwan, therefore, became more acceptable—at least until either one could devise a strategy to obtain its goal without incurring the associated costs. These costs helped to reinforce the foundation for the U.S. deterrent posture in the Strait.

The overarching regional goal of the United States since the early 1950s has been to maintain this status quo. While committing a limited—quantitatively and qualitatively—military force to the protection of Taiwan during the periods of crisis, U.S. intervention in the Strait was relatively benign in comparison to the force at the United States' disposal. The reasons for maintaining the status quo shifted over time from containing Communism in the 1950s to political and economic interests in the 1990s, but the status quo had remained the goal of, and the dependent variable in, U.S. security policy in the trilateral relationship.

There have been many instances in the United States-China-Taiwan relationship when U.S. military intervention was used as a direct response to hostile actions, but the model presented in this research posits that other factors may have been equally or more significant than the explicit use or threat of force in maintaining stability. In addition to military factors, one must consider a myriad of diplomatic, political, and economic factors when assessing the reasons for conflict prevention or avoidance. This is why the model presented here is termed *holistic* pivotal deterrence. Through a presentation of the empirical data, this

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research seeks to illustrate the dynamics between each of these factors and security in the Strait.

Traditional models of deterrence generally emphasize transparency as a key factor in communicating one's intentions to another in the hopes of influencing the other's actions. These intentions usually imply that actor (A) would apply some sort of pressure—whether diplomatic, informational, economic, or military—upon actor (B) if (B) were to do something that (A) did not want it to do. This usually entails clearly communicating the boundaries and limits within which (B) can act without crossing the line, at which point (A) would carry out its threats.

The problem with these traditional models of deterrence is that, in many instances, they may provide (B) with too much information as to what actions it can get away with, and to what extent, while not provoking (A) and risking the consequences. There may be times when (B) is less inclined to take specific actions toward this end, such as if the boundaries are not clearly defined and if the consequences remain somewhat ambiguous. This problem is compounded when trying to deter more than one actor at a time, and even more so when trying to act as a third-party deterrent force between two actors with whom the deterrer's involvement is indirect. This is important in situations where clearly defined policies may actually encourage one actor or the other to take aggressive actions against the desires of the third party, which is trying to maintain stability between the other two.

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This dissertation examines how ambiguity can provide a more effective role than clarity can provide in extended third-party deterrence, as well as the importance of a holistic deterrence strategy. It describes the key factors and considerations behind this approach and applies them to U.S. security policy as it relates to the situation in the Strait during several crisis junctures over a nearly 50-year period in the later half of the 20th century. It achieves these goals by applying a pivotal deterrence model to the Strait in order to provide an alternative perspective as to how one might approach and understand ambiguous, extended security relationships.

This research is significant because many traditional approaches to deterrence consider clarity of threats and potential actions as fundamental factors in preventing others from undertaking specific actions. But because this model emphasizes the role of ambiguity as a critical factor in maintaining control of a situation, it presents an alternative approach to understanding third-party deterrence relationships that has not been widely addressed. It also expands the original pivotal deterrence model to consider additional variables. This research assesses the relevance and validity of the model by applying it to scenarios in a region of the world where U.S. security policy has relied on an element of ambiguity to maintain relative stability between two antagonistic, yet indigenous, rival subsets of the same national group.

This research presents and addresses four hypotheses, using a qualitative, logical presentation of the evidence to support the central arguments. It does not, however, attempt to present quantifiable, statistical proof that this

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pivotal deterrence model prevented full-scale conflict in the Strait. While this dissertation aims to present a competent, empirical case to support these arguments, the author recognizes that its conclusions are subjective and are likely to remain open to debate and subject to interpretation. Moreover, while the research supports and advances pivotal deterrence as one of many explanations and perspectives in understanding peace and conflict among states, it does not claim to present an exclusive and incontrovertible argument over deterrence in the Strait or other regions.

Linking U.S. Policy to the Strait

The late 1940s and early 1950s brought American foreign policy into a new era as Communism established itself as the primary threat to global security, challenging Western efforts to maintain peace and spread democracy after WWII. A protracted Chinese civil war resulted in Mao Zedong's Communist People's Party (CPP) taking power in Peking—renaming it Beijing—in 1949. Chiang Kai-shek's ruling Nationalist Kuomintang Party (KMT), of which the United States in favor, was forced to retreat to the island of Formosa (Taiwan)[1]—approximately 100 miles off the coast of mainland China—where it reestablished

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1. "Taiwan" may be used interchangeably with "Formosa," "the Republic of China," and "ROC"; as may "Taipei" and "Tai Bei" in reference to the capital city and Government of Taiwan. Furthermore, "Kuomintang"—the ruling party during the junctures under study—may be used interchangeably with "Guomindang," "Nationalists," and "ChiNats." "China" may be used interchangeably with "the People's Republic of China," "PRC," "the Mainland," "mainland China," and "Communist China"; as may "Beijing," "Peking," and "Peiping" in reference to the capital city and Government of mainland China. Furthermore, "Communists" in the Chinese political context refer to the

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a second, parallel, Chinese Government in Taipei, with the goal of eventually reclaiming the Mainland and reunifying China.

This split effectively brought an end to China's civil war—at least in regard to direct confrontation on the Mainland—which had been raging for years between the two parties. But the United States maintained its support and diplomatic recognition of the KMT as the official Chinese Government, and of Chiang as the legitimate ruler of China; providing economic, political, and indirect military support. Not long after this split, however, the United States found itself in a tense situation with China over developments in the Strait.[2] In contrast to U.S. actions in the Korean War, however, direct offensive military action was not the primary tool with which the U.S. chose to control this situation. Rather, by adopting a policy of deterrence through ambiguity, the United States worked to prevent Beijing and Taipei from engaging in full-scale conflict while seeking to find a way to resolve the conflict and avoid escalation of limited military operations that had been occurring between the two rivals.

Following WWII and the start of the Cold War, by the late 1940s and early 1950s, the United States was beginning to recognize the threat that Communism presented to peace and security throughout the world, and that U.S. foreign policy needed an approach for dealing with hostile states and preventing others from falling to Communism while avoiding being pulled into military conflicts. As

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Communist People's Party (CPP), and may also be referred to as "ChiComs" (Chinese Communists).

2. "Formosa" is the original name for the island of Taiwan, and also includes the Pescadores (or Phengu) Islands, which are situated off Taiwan's west coast.

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such, U.S. policy in 1949 was "to prevent China from becoming an adjunct of Soviet power."[3] But by this point, the U.S. military was weary and its resources stretched thin, and the American public probably felt little motivation to become involved in another confrontation anytime soon. Most argue that preventing war is generally preferable to engaging in it, and the advent of the Cold War spurned alternative theories of conflict prevention, which started to gain popularity in both academic and policymaking circles.

The U.S. initially intended to avoid becoming militarily involved in the Strait, pledging that "the United States will not provide military aid or advice to Chinese forces on Formosa."[4] But in June 1950, Communist North Korea (DPROK) invaded the South (ROK); an area that Secretary of State Dean Acheson did not include in his publicly stated list of areas deemed vital to U.S. security.[5] Although the ROK was on the defensive, the Soviet Union claimed that the ROK provoked the DPROK into making a preemptive strike—despite a survey reporting that the ROK had no concentrations of troops, armor, air support, heavy artillery, or military supplies necessary to mount such an offense.[6]

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3. United States Department of State, "Note by the Executive Secretary of the National Security Council (Souers), on United States Policy Regarding Trade with China," 28 February 1949 (Executive Secretariat Files), *Foreign Relations of the United States, 1949*, Vol. 9, *China* (Washington, D.C.: Government Printing Office, 1978): 827.

4. Harry Truman, "The President's News Conference of January 5th, 1950," 5 January 1950, The American Presidency Project, http://presidency.uscb.edu/ws/index.php?pid=13678&st=formosa&st1= (accessed 11 December 2006).

5. M.A. Fitzsimmons, "Fifteen Years of American Foreign Policy," *The Review of Politics* 23, no. 1 (January 1961): 11.

6. Harry Truman, "Special Message to the Congress Reporting on the Situation in Korea," 19 July 1950, The American Presidency Project, http://www.presidency.ucsb.edu /ws/index.php?pid=13560&st=truman&st1=korea (accessed 1 January 2006).

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Stating that this attack made it "plain beyond all doubt that Communism has passed beyond the use of subversion to conquer independent nations and [would] now use armed invasion and war," President Truman sent the United States Navy's Seventh Fleet into the Strait as a blockade force to prevent any attack on Formosa, while also calling upon Taipei to "cease all air and sea operations against the Mainland."[7] This was intended to maintain stability and to prevent Communist China from launching an amphibious assault to take control of Taiwan, which many still considered a strategic point in the region for sea lanes of communication and for air control in and around Korea, Japan, and the Philippines. By inserting itself—both physically and politically—between Taiwan and the Mainland, the United States became involved in maintaining regional stability for the foreseeable future.

When U.S. forces pushed north toward China's border near the Yalu River in late 1950, however, Beijing perceived the move as threatening to continue into Chinese territory, prompting China to send People's Liberation Army (PLA) forces to intervene on 3 November of that year.[8] This event turned the tide of the Korean War against the Allied forces and presented Communist China as a growing threat to regional stability. While the United States did not take direct military action against Communist China in retaliation for its intervention in Korea,

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7. Harry Truman, "Statement by the President on the Situation in Korea," 27 June 1950, The American Presidency Project, http://www.presidency.uscb.edu/ws/index.php?pid=13538&st=formosa&st1= (accessed 11 December 2006).

8. Harry Truman, "The President's News Conference of November 16th, 1950," 16 November 1950, The American Presidency Project, http://www.presidency.ucsb.edu/ws/index.php?pid=13664&st=china&st1=korea (accessed 11 December 2006).

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however, it did take an alternative course of action intended to signal its resentment toward Beijing; President Eisenhower lifted the naval blockade of Taiwan in February 1953, arguing that the United States had "no obligation to protect" those who were killing U.S. troops in Korea.[9] While the order instructed that the Seventh Fleet "no longer be employed to shield Communist China," however, Eisenhower emphasized that it implied "no aggressive intent" on the part of the United States.[10] This effectively "unleashed" Chiang and provided an opportunity to deploy his Nationalist forces to reclaim the Mainland in the name of the KMT; a move that remained one of Chiang's primary goals. These events set the stage for U.S. regional security policy, which was applied to the four periods of crisis that serve as the junctures for this research.

Four Crises as Case Studies

While there are many significant events in Sino-American relations throughout the second half of the 20th century, this dissertation focuses primarily on the four crises in the Taiwan Strait between 1954 and 1996. It applies a pivotal deterrence model to these junctures in order to test its validity and to explain the events from a theoretical perspective. By doing so, it presents an argument for understanding why events unfolded the way they did, and presents

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9. Dwight D. Eisenhower, "Annual Message to the Congress on the State of the Union," 2 February 1953, The American Presidency Project, http://www.presidency.ucsb.edu/ws/index.php?pid=9829 (accessed 19 December 2004).

10. United States Department of State, "Message from the President to the Congress," 2 February 1953 (Extract), *Foreign Affairs of the United States, 1952-1954*, Vol. 14, *China and Japan* (Washington, D.C.: Government Printing Office, 1985): 140.

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alternative perspectives on deterrence and power distribution. Additionally, it identifies flaws or weaknesses in the model, and suggests modifications for future application. While the four crisis junctures are briefly introduced below, subsequent chapters will provide more specific details on each event.

The first crisis started in 1954. The United States' role as a guarantor of stability in the region became apparent as events began to escalate after the United States withdrew many of its military forces from the region. Not long after Eisenhower lifted the Seventh Fleet's blockade, the PLA began an artillery bombardment of ROC forces that had taken up position on the island groups of Quemoy and Matsu; each situated approximately 10 miles from the Mainland and claimed by both Communist and Nationalist China. Many perceived this offensive as a Communist attempt to take control of the islands and to use them as a step toward invading Taiwan—a move that U.S. policymakers most likely perceived as furthering Beijing's hopes of becoming a reunified, hegemonic power in the Asia-Pacific region.

The Seventh Fleet soon returned to the Strait to reinstitute the blockade and to ensure delivery of supplies to the Nationalists, but it did not become involved in direct conflict with PLA forces. The risk of inadvertently provoking American military intervention may have been enough to convince Mao that the United States held an unequivocal interest in maintaining stability in the region, and the Communist assault stopped in 1955 as a result. But this cease-fire held only temporarily.

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The second crisis occurred in 1958; although some consider this crisis an extension of the first, this research treats it as a separate juncture. Under the perception of American protection, the KMT continued its low-intensity raids against the Mainland after the first crisis ended. In response, China again declared its intent to "liberate" Taiwan, resumed its shelling of Quemoy and Matsu from August through October 1958, and used patrol boats to blockade Nationalist resupply efforts of forces on the islands. As a protective measure, President Eisenhower again sent the U.S. Navy's Seventh Fleet to the Strait to serve as escorts to the Nationalist ships that were resupplying ROC forces on Quemoy and Matsu; U.S. naval aircraft also helped Chiang reestablish control over the region's airspace.

While the United States once again avoided direct conflict with PLA forces during this crisis, the risk of escalation most likely created a heightened sense of caution. By providing only a limited degree of military power to shield KMT military resupply lines, the United States was probably attempting to deter a PLA attack on Taiwan while simultaneously limiting U.S. military support in an effort to discourage any potential Nationalist plans to liberate the Mainland. Any such plan might have ultimately forced the United States to take a strong military position and to risk encouraging all-out war.

The third crisis followed Mao's "Great Leap Forward" of 1958-60, which left mainland China in a state of famine, chaos, and turmoil. By 1962, its economy had all but collapsed and its agricultural production had suffered a severe loss. In mainland China's weakened condition, Chiang most likely viewed

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it as being in an ideal position for liberation. But when the United States learned that Chiang was making preparations to attack, President Kennedy on 23 June 1962 used diplomatic channels during the Warsaw Talks as an opportunity to assure Mao that the United States would not support any such assault.[11] Chiang was forced to back away from his plans to attack the Mainland.

Kennedy's reassurance to Beijing most likely created the impression within Communist China that the United States was playing both sides of the Strait without explicitly stating the U.S. position regarding which side it favored and which it would support in a conflict. While this third potential crisis was averted before requiring the United States to intervene militarily, it clearly demonstrated Chiang's reliance on American support for implementing any plans of liberation or of reclaiming the Mainland. While similar approaches had been employed effectively during earlier crises, this juncture provides perhaps the most powerful indicators as to the formal beginning of America's "strategic ambiguity" policy in regard to security in the Taiwan Strait.

Although there were no military crises in the Strait between 1963 and 1994, this period is extremely important for context because the regional dynamics experienced considerable change during this timeframe. The 1970s brought a shift in Asian strategic relationships: China and the Soviet Union had fallen apart from one another politically, and President Nixon officially opened

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11. United States Department of State, "Telegram from the Embassy in Poland to the Department of State," 23 June 1962, (Document 131: Telegram), *Foreign Affairs of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan* (Washington, D.C.: Government Printing Office, 1996).

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relations with Beijing in 1972. Washington in 1979 shifted diplomatic recognition from Taipei to Beijing as the legal seat of the Chinese Government, but all the while maintaining quasi-official relations with Taipei through the American Institute in Taiwan (AIT). Although the United States finally recognized mainland China, Washington maintained an interest in peaceful relations with Taipei. Steps forward in Sino-U.S. relations would later be demonstrated through the three Communiqués of 1972, 1979, and 1982, and the Taiwan Relations Act of 1979—all of which will be discussed in greater detail in subsequent chapters.

This monumental shift in the trilateral security relationship placed new pressures on both sides of the Strait, and the new dynamic presented opportunities that neither side was likely to ignore. While Beijing recognized Washington's desire for closer relations, the United States maintained a strong commitment to Taiwan, thereby complicating the balancing act required for diplomacy, while increasing the effectiveness of the ambiguous security policy. Ultimately, more prospects for cooperation translated into more "sticks and carrots" for the United States to leverage against both China and Taiwan.

The political environment in the mid 1970s significantly affected United States-China relations. After Mao died in 1976, Deng Xiaoping took power and instituted major reforms within Communist China, "leaving no institution or Maoist practice untouched," as Schell and Shambaugh note: "Not only did Deng have to resurrect the institutions and personnel of the party, state, and army but China was also faced with a profoundly alienated and lethargic populace numbed from three decades of unrelenting Maoist political campaigns, persecutions, and

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catastrophes that had cost tens of millions of lives."[12] This surely would be no simple or minor undertaking. The damage to China's infrastructure was much more than superficial, and the "culture of Mao" probably cut even more deeply into Chinese society.

The fourth crisis came as retaliation for Taiwanese President Lee Teng-hui's 1995 speech at Cornell University in Ithaca, New York, where he made explicit reference to Taiwanese independence. In an attempt to influence Lee's upcoming re-election, China fired ballistic missiles—albeit without their explosive payloads—into the waters off of Taiwan, held a series of military exercises practicing amphibious assaults, and later fired two more unarmed missiles that landed in the water near two strategic Taiwanese ports. Once again, the U.S. Navy deployed ships—this time, two carrier battle groups—to the region to "monitor" the events, which ended without further escalation. Some observers posit that, while employing a strong show of military force, China's actions were not actually a prelude to attack; they were merely a form of "saber rattling" to remind the world that the PRC would not accept Taiwan's declaration of independence from the Mainland. The empirical data is inconclusive on this issue. In neither case, however, did China or Taiwan take significant steps to escalate tensions by mobilizing their forces once the U.S. military intervened.

In an ideal representation of the holistic pivotal deterrence model, this research would show that the United States' policy toward Taiwan maintained an

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12. Orville Schell and David Shambaugh, eds., *The China Reader: The Reform Era* (New York: Random House, 1999), 5.

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adequate level of uncertainty and contradiction so as to prevent either aggressor from becoming overly confident in what the pivot would do if the aggressors disrupted the status quo. This would be observable by noting incongruences between policies and actions—applying support to best suit a particular situation, despite any other promises—and by the absence of military escalation to full-scale conflict between the aggressors. The research would also show that neither China nor Taiwan could avoid the United States' influence, and that at least one of the aggressors was heavily dependent upon the United States.

Outline of the Dissertation

Chapter II discusses the research methodology and how it is applied, how the hypotheses are framed, the resources that were utilized, how the information was analyzed, and other factors related to the body of this dissertation. In supporting the research, this chapter identifies the indicators of success or failure as the model is applied to the crisis junctures. It illustrates how the research uses the empirical evidence to address each hypothesis and the linkages between the expectations and results of the data presented herein.

Chapter III presents the theoretical framework within which this research approaches the topic. It discusses the mainstream schools of thought on deterrence, and illustrates how they differ in explaining the absence of war between the PRC and ROC. It discusses some significant theories of international relations in order to provide the reader with an understanding of how they explain power, state behavior, and security. It also introduces the

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fundamentals of pivotal deterrence and presents the key concepts by which it differs from many other approaches. Another purpose of Chapter III is to further illustrate what the dissertation seeks to explain; specifically, how pivotal deterrence can help clarify what is already known about security in the Strait. This dissertation presents a realist-centric approach to deterrence, based on factors such as interests and power, but it also seeks to demonstrate that while realism and balance of power remain relevant to pivotal deterrence as applied in the Strait crises, so do perceptions and interests.

Chapter IV presents the literature on the United States-China-Taiwan relationship throughout most of the second half of the 20th century, noting a variety of books, journals, and articles that have been published on the development of the trilateral relationship and the regional security situation. This chapter is an important element in the research, as it presents the reader with a broad understanding of contemporary concepts in the literature, and also illustrates the academic perspective of the relationship and the factors that affect security policy in the region. It concludes with a presentation of how this research on pivotal deterrence contributes to the existing literature by providing an alternative lens through which to view the security relationship.

Chapter V sets the political background for the region, presenting an understanding of the shifting balance of power, influence, and alliances, and illustrating how these factors affected U.S. security policy in the Strait over the years. Examining the 1954-55, 1958, and 1962 crises, this chapter focuses upon the empirical data available on the three primary actors throughout the

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relationship—the United States, China, and Taiwan. The information presented in this chapter formulates the main arguments to support the research agenda, and presents the data so that the reader can comprehend how the pivotal deterrence model explains the events in the region. These data present the historical framework, which demonstrates how the security situation "fits" the pivotal deterrence model presented in this research, and vice-versa. This is also where the story comes together to create a clearer understanding of the linkages that exist between the United States, China, and Taiwan, and how they function together in designing both a policy- and a theory-oriented approach to security.

Chapter VI is a continuation of Chapter V, examining many of the same factors, but it does so within the framework of a changing United States-China-Taiwan relationship from the 1962 crisis through the 1995-96 crisis. This is set apart from the previous chapter because it marks a turning point in the political relationship and discusses the new political framework in which old friends and enemies found themselves trying to compete for legitimacy and security.

Finally, Chapter VII revisits the original hypotheses to provide an assessment of how the pivotal deterrence model functioned when applied to the Strait, and demonstrates how the data supports the model in explaining stability in the region. It illustrates this pivotal deterrence model's strengths and weaknesses, and presents some explanations as to why the model did or did not support the hypotheses. It then builds upon the basic tenets of pivotal deterrence to present alternative propositions for expanding, reinforcing, and supporting the model.

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CHAPTER II

RESEARCH DESIGN AND METHODOLOGY

There are many approaches to discussing and understanding deterrence; each possessing its own strengths and weaknesses. This study does not seek to show that one is necessarily any better or worse than another in every situation, but rather to introduce, and to illustrate the application of, an alternative version of pivotal deterrence—itself a relatively new deterrence approach—for understanding a region of complex and longstanding tension: the Taiwan Strait. While many deterrence models have been widely discussed throughout contemporary history, pivotal deterrence, which Crawford coined in his doctoral dissertation in 2001 and subsequently published in 2003 as *Pivotal Deterrence: Third-Party Statecraft and the Pursuit of Peace,* is a more recent model based upon a combination of extended and dual deterrence. The foundation of the holistic pivotal deterrence model presented in this dissertation is based on the general concepts found in Crawford's, but presents some alternative hypotheses.

This chapter sets the framework for the dissertation by introducing the specifics of pivotal deterrence: what it is, its fundamental qualities, how it differs from other approaches to deterrence theory, and how it applies to the role of the United States in maintaining stability across the Taiwan Strait. It presents these fundamental factors in the context of U.S. security policy in the Taiwan Strait and presents the four hypotheses this research seeks to support.

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THEORETICAL APPROACH

While the hypotheses presented herein largely call for explanatory or descriptive methods, the research also is partially exploratory, since pivotal deterrence is a relatively new and underdeveloped concept that has not been widely or methodically applied to the Taiwan Strait region. As this research progressively presents the totality of the data, it will identify the salient emerging features that fit the model and that help to explain the role of holistic pivotal deterrence in the United States-China-Taiwan security relationship. Utilizing a grounded-theoretical approach, this research analyzes the qualitative aspects of the security relationship along several key junctures, and does so in the context of the four hypotheses. It also incorporates some quantitative factors as they apply to the overall situation.

The data for this research comes from a wide variety of sources on U.S.-Chinese-Taiwanese relations between 1945 and 1996. Due to the dearth of translated Chinese documents, however, this research relies heavily on English-language primary documents and secondary documents—including diplomatic transcripts, books, journal articles, and policy papers written by academic and professional experts in the field; some of whom are fluent in the Chinese language and have researched primary documents in Chinese. While secondary documents are generally subject to more interpretation and biases toward a particular authors' viewpoint than are primary sources, they nevertheless provide a valuable perspective on key events, and serve as important resources. Utilizing a variety of these documents, this research examines the events at each

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key juncture, as well as the periods in-between, in developing a significant amount of data with which to conduct and support the associated analysis.

About the Methodology

Grounded theory, which Glaser and Strauss initially presented in 1967, follows a general, continually evolving methodology for developing theory that constantly compares data to the hypotheses as it is gathered and analyzed. Using this methodology, theory can be elaborated and modified as incoming data are meticulously played against them.[1] Like other qualitative research theories, Strauss and Corbin note, this is an interpretive approach that can combine qualitative and quantitative analytical techniques. While including the perspectives and voices of the people under study, the researcher accepts responsibility for interpreting what is observed, heard, or read, rather than simply giving voice to the viewpoints of the people, groups, or organizations studied. Strauss & Corbin argue that grounded theory is a general methodology—a way of thinking about and conceptualizing data—and is easily adapted to studies of diverse phenomena.[2]

Strauss and Corbin also argue that "theories are interpretations made from given perspectives as adopted or researched by researchers," and "to say that a given theory is an interpretation—and therefore fallible—is not at all to

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1. Ansalem Strauss and Juliet Corbin, "Grounded Theory Methodology," in Norman Denzin and Yvonna Lincoln, eds., *Handbook of Qualitative Research* (Thousand Oaks, Sage Publications: 1994), 273.
2. Ibid., 274-75.

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deny that judgments can be made about the soundness or probable usefulness of it."[3] They expect that researchers will combine grounded theory with other methodologies, such as with "quantitative methods on predominantly qualitative or predominantly quantitative projects, or on projects of equal emphasis." And they state that researchers can use a variety of adaptations of the methodology without invalidating it.[4]

Utilizing this methodology to synthesize and analyze the data related to the key junctures in the Strait allows this research to take a broad view of the events and factors involved in each of the crises. By utilizing this grounded-theoretical approach, the research seeks to provide an enlightened perspective on the value and validity of ambiguity in third-party security policies. Because the best decisions and analyses are often based on the weighing of alternative options, this research may later serve others in further arguing the merits of such an approach in this and other scenarios.

Conducting this type of research requires identifying those factors that constitute success or failure in adequately addressing the hypotheses. Because this dissertation presents primarily qualitative analytic assessments rather than a quantitative statistical analysis, however, its findings will be more subject to interpretation. But for the purposes of this paper, if the data is found to support a logical, credible argument based on consistent patterns in support of the pivotal deterrence hypotheses in light of possible alternatives, then this research will

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3. Ibid., 279-281.
4. Ibid., 283.

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consider the hypotheses adequately verified. While not attempting to present one specific universal approach as superior to all others, it attempts to show how the factors in the crisis junctures either support or refute the hypotheses.

As with any theory-based analysis, the conclusions of this research are largely subjective and must accept some fundamental assumptions, since much of what is generally understood about the crises in the Strait is based upon non-verifiable accounts and second-hand perceptions—specifically, those that historians believed the actors' held at the time of the selected junctures. This research recognizes the lack of primary information available on Chinese military matters during many of the earlier junctures addressed herein, which will inevitably affect any analysis. But an increasing amount of such information coming available on the Internet, combined with previous findings from other researchers, does help to validate the research for the purposes of this dissertation. Ultimately, however, the author recognizes that this research is necessarily conducted primarily from a Western perspective.

This methodology can be a complex task to apply to deterrence, which can take many forms, and is widely argued from numerous perspectives. There is no universal consensus on what deters one actor or another, since mitigating factors must be considered for each unique situation and for each unique personality involved in the decision-making process.[5] Additionally, determining

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5. The role of personality is often noted as a key factor in international politics, but it can be a difficult factor to quantify when assessing its effect in the decision-making process. Robert Jervis has written extensively on the role of personality and political psychology.

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whether or when an actor has been deterred involves inherently vague parameters, which may not always be proven or refuted. In making this determination, observers often must make subjective decisions based on their own beliefs and perceptions, as well as on factual data. This research seeks to determine whether pivotal deterrence does in fact apply to the crises in the Strait, and discusses the defining characteristics that can be identified as contributing to its success.

In presenting its main arguments and hypotheses, this dissertation addresses both the international and domestic aspects of the relationship between the United States, China, and Taiwan throughout the second half of the twentieth century. In addition, it attempts to deconstruct the individual relationships to expose the divergent perceptions among the participants—each supporting their own beliefs, fears, and political agendas. By doing so, it helps to illustrate the factors that permitted the model to work.

This research seeks to identify how the U.S. security policy constrained China and Taiwan from going beyond limited military operations to engaging in full-scale war. To explain this, it is necessary to describe how China, and Taiwan each perceived and presented their relative positions during each of the crises, and how those perceptions may have influenced their decisions to take military action or to refrain from advancing hostile intents. In order to develop a qualified perspective on the Chinese position, for example, this study draws upon official government documentation, public statements, and the works of numerous China scholars and specialists. It approaches this subject from a variety of angles to

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present a well-rounded picture of how American, Chinese, and Taiwanese policymakers might have thought about developments in the Sino-American relationship during these critical junctures.

KEY ELEMENTS OF THE RESEARCH MODEL

As described above, the purpose of this research is to examine the trilateral security relationship in the Strait through the lens of holistic pivotal deterrence, with the goal of demonstrating whether, and how well, holistic pivotal deterrence explains the absence of war between the China and Taiwan as an element of U.S. security policy. This research is significant to the field of security studies because it helps to identify strengths and weaknesses of pivotal deterrence models in the context of trilateral security relationships and builds upon a relatively new approach to deterrence theory. Furthermore, it may also provide the reader with valuable insight as to how pivotal deterrence can be applied to other regional conflicts—such as between India and Pakistan, or Israel and the Palestinians—which other researchers may subsequently examine at a later date.

Having discussed this research topic with Crawford, this author discovered that, beyond those examples addressed in *Pivotal Deterrence,* there has been little exploration of the model in regional case studies, including in the Taiwan Strait. In approaching this subject, this dissertation assesses the model's applicability to the Strait by applying the research to four hypotheses, each

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relating to a specific element of holistic pivotal deterrence: moral hazard, alignment, interests, and benefits.

Based on Crawford's model, four necessary conditions must be met for this pivotal deterrence model to succeed: (1) the pivot must possess power at least roughly equal to the adversaries (i.e., it must possess a preponderance of power); (2) the pivot must prefer that the adversaries maintain the status quo, or that any changes are made peacefully; (3) the pivot must believe that both adversaries hold revisionist aims toward each other and that they will risk war to achieve those aims if they are assured of the pivot's support or acquiescence; and (4) each adversary must perceive the other as more threatening than the pivot.[6] These will be addressed again in Chapter VII.

Why must the pivot posses a preponderance of power? Would it not be sufficient that it simply possess power equal to the *difference* between the aggressors? The deterrent relationship must provide some realistic expectation that the pivot could find itself militarily involved between the two aggressors. The pivot must possess preponderant power because it must be able to maintain a military advantage even if the aggressor that is less closely aligned with the pivot absorbed the military capabilities of the other, or if the aggressor with which the pivot is more closely aligned loses some of its military capability. If this was to occur and the more hostile aggressor got the upper hand on the other, it would then militarily outmatch the pivot, which would then become the target of a

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6. Timothy Crawford, *Pivotal Deterrence: Third Party Statecraft and the Pursuit of Peace* (Ithaca: Cornell University Press, 2003), 28.

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superior military power. Therefore, if the pivot's power only matched the difference, it could find itself at a disadvantage. Also, a preponderant-power pivot can join the fight at any time, thereby avoiding an immediate commitment, but a peer pivot—one which does not possess power at least equal to the aggressors—if it is to make up the difference to a point where the combined power of the pivot and the aggressor closer to the pivot could present an adequate counterattack, would have to convince the aggressors that it would be willing and able to jump in at the start of a conflict. This is essential for the pivot to maintain credibility. For this model, therefore, equal power between the aggressors makes the deterrent weaker; an imbalance strengthens it.

AMBIGUITY IN THE TRILATERAL RELATIONSHIP

Every deterrence relationship brings with it some degree of ambiguity, but with traditional deterrence models, which provide relatively clear threats and cause-and-effect relationships to a potential aggressor, the ambiguity lies in the effect, or outcome, of the relationship; when a potential aggressor is deterred from taking action (i.e., the action never occurred), there is often little or no evidence to prove that the absence of action was the direct result of a specific deterrent, and not some other—or combination of—alternative factors, such as the aggressor changing its mind about what actions to take.

While all deterrence models share this ambiguous quality as a *passive* factor in their outcomes, pivotal deterrence employs ambiguity as an *active* factor in its application. This is different from uncertainty in perceived intentions

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created by a haphazardly applied traditional deterrence policy; there are bound to be flaws in any theory-based security policy, since there is no realistic way to consider how every factor will interact and react with every other factor. But whereas a security policy based on deterrence is likely to involve many inherently ambiguous elements as part of an inherently imperfect system, pivotal deterrence *deliberately* engineers ambiguity into its fundamental structure, front-loading the ambiguity into the cause-and-effect relationship: By not providing clear boundaries at the start, the aggressors must make subjective assessments based upon what they *perceive* as the pivot's true intentions vis-à-vis any action the aggressors may take toward one another.

Whereas traditional deterrence theories are largely based on threats, capabilities, and communicating intentions among and between the involved actors, they do not fully capture all aspects of geopolitical conflict or explain its avoidance. These traditional theories rely much more than pivotal deterrence upon an aggressor clearly understanding the defender's intentions and recognizing what actions are likely to result in specific reactions from the defender. There may be many instances, however, in which not knowing how another actor will respond can be more influential than if the defender's potential responses were clearly communicated. Where a power imbalance exists, ambiguity provides the possibility that the pivot will not step in to fill the gap. This is seen as maintaining neutrality, which is shown to be a factor in the scenarios for pivotal deterrence as discussed below in this chapter.

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Ambiguity in a deterrence relationship can be the result of any number of factors, such as introducing deliberately vague parameters (relating to potential cause-and-effect), acting inconsistently on relatively clear parameters (stating one set of parameters, but acting on another), or accidental results from mistaken perceptions or miscommunication (attempting to communicate one set of parameters, but the aggressors misunderstanding their intended meaning).

Following this concept, this dissertation examines the role of ambiguity as a key factor in pivotal deterrence—particularly as it relates to U.S. security policy in the Taiwan Strait in the second half of the 20th century—arguing that the relative peace and stability in the Strait is the result of an ambiguous, rather than transparent, U.S. security policy toward both China and Taiwan. Understanding the role of ambiguity—particularly when used intentionally—requires some context. Whether something is perceived as ambiguous depends on both the presenter and the receiver of the information. While Webster's defines ambiguity as something that is "doubtful or uncertain [especially] from obscurity or indistinctness," and "capable of being understood in two or more possible senses or ways,"[7] this definition could be interpreted to meet any number of scenarios. But in the context of this dissertation, it primarily describes a situation where one actor cannot be certain of the true intentions of another's actions. It is a constant dilemma wherein security relationships are based on the hope that actors will act predictably and according to their word, rather than on a solid foundation of trust.

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7. Webster's Collegiate Dictionary, 10th Ed., s.v. "ambiguity."

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In most cases, it might not be unreasonable to assume that clarity would be preferable to ambiguity when dealing in international politics, since misunderstandings under pressure very well could run the risk of states going to war under false pretenses. But on many occasions, such as when an aggressor state is actively contemplating taking action against another, it may, in fact, be the lack of clearly defined boundaries and consequences that prevents an aggressor from knowing whether any given action is worth the potential risk or cost involved.

Operationalizing Ambiguity

The concept of ambiguity lies at the heart of pivotal deterrence. It can take many forms and may be applied at many levels, which might not be immediately apparent to an observer. Communicating ambiguity entails an inherent contradiction: The deterrent relies on making the aggressor closer to the pivot believe the pivot will support it in some, but not all, situations; simultaneously preventing that aggressor from knowing how much it can rely on the pivot. This depends upon establishing and maintaining a both a sense of dependence of the aggressors upon the pivot, and distance of the pivot from the aggressors.

To identify the indicators of ambiguity, one should consider its antonym: clarity. Recognizing where and when ambiguity is in play requires first identifying those indicators that would otherwise be familiar in such a situation of clearly defined intentions. In the context of U.S. security policy in the Strait, clarity would

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entail explicitly stating to China and Taiwan those interests that the United States considered vital, which it would unequivocally defend, what it would consider unacceptable actions on the part of both China and Taiwan, and what actions it would carry out if either actor pursued those actions. As such, if either China or Taiwan took any of those actions deemed unacceptable toward violating any interest the United States considered vital, then the United States would have responded by taking those actions which it previously threatened.

Clarity would also entail more tangible actions, such as pre-positioning U.S. owned and operated materiel—aircraft; amphibious carriers and landing craft; tanks; troops; radar; ordnance; medical, logistical, and other support personnel; command, control, and communications systems, and other traditional tools of warfare—on Taiwan in such quantitative and qualitative measures as to be able to respond to a Communist Chinese attack on the island with an effective counterattack. A U.S. counterattack would incorporate Taiwan's military resources as a force multiplier, but U.S. military analysts confirm that large-scale American military operations would never be undertaken under the command and control of the military structure that Taiwan could have provided.[8]

In addition to the complexities inherent in matters of deterrence, this section shows that U.S. security policy in the Taiwan Strait involved even more intricacies in relation to the concept of ambiguity. Whereas the United States clearly used military power to intervene in the crises between mainland China

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8. This position is based on discussions with China-issue military analysts from a variety of U.S. military and other government agencies.

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and Taiwan, there are significant differences between degrees of intervention. This presents a lens through which one must view U.S. actions in the Strait. Degrees of intervention can be described as a spectrum, with complete disassociation at one end, full-scale military operations at the other, and a range of options in-between (see Figure 1). In the Strait, the United States used limited military operations to "raise the stakes" of Chinese or Taiwanese aggression toward each other, but did not offer any definable guarantees of support. This left each side to weigh the probability of U.S. escalation or reduction of support in response to their own actions; the U.S. could change course at any given time. So, while the "obvious" U.S. military actions in the Strait may be construed as having sent a clear message of intent and support, the ambiguous nature of U.S. commitments left a wide range of options on the table. These will be discussed in greater detail in the following chapters.

Pivotal Power and Applied Ambiguity

Bush illustrates many ambiguous factors in the U.S. policy toward Taiwan, noting that, in the early years, the U.S. saw little or no alternative to pure deterrence in the traditional sense, but by 1955, "American thinking had changed; Beijing might be part of the solution," and that "U.S. policy makers understood that Taiwan had no military value," relating the memories of the French attempts to maintain an outpost in Dien Bien Phu, which was also of no

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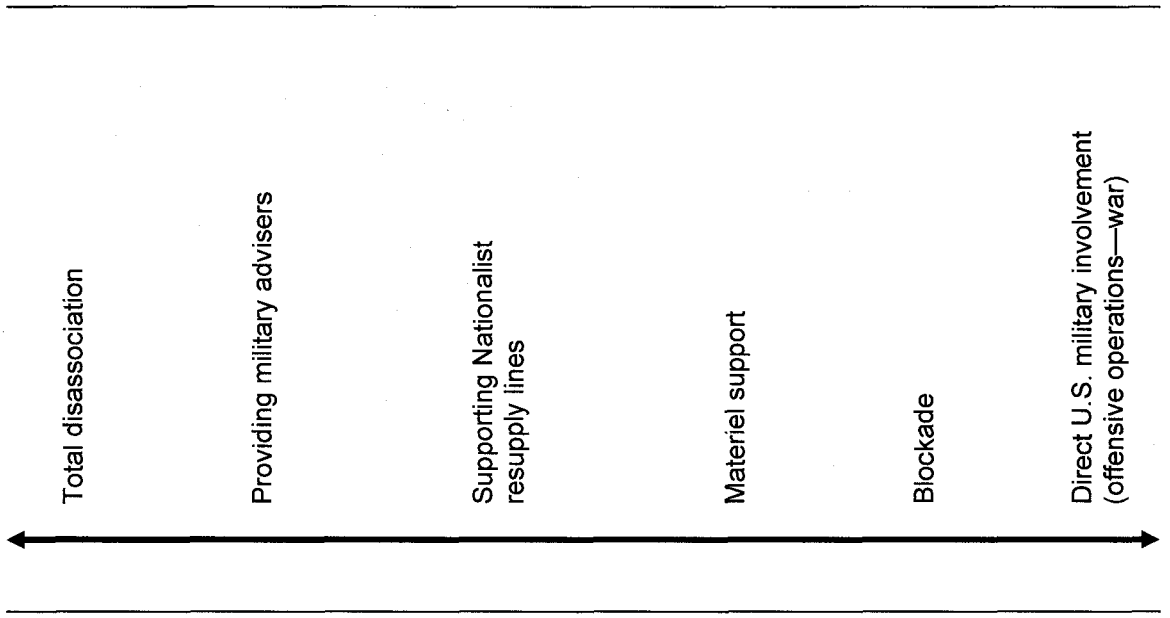

Figure 1. Examples of possible military options reflecting levels of U.S. support to Taiwan.

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military utility.[9] He notes that in April 1955, Ambassadorial talks with Beijing discussed the renunciation of force in the region, which raised profound concerns with Taipei. And by the fall of 1954, the ROC Permanent Representative to the UN complained that a ceasefire would amount to a truce that would freeze the status quo. In the ROC's eyes, Bush notes, U.S. talks with the PRC "[shifted] emphasis from technical issues like repatriation to an agreement on a mutual force renunciation in the Taiwan area, which, Taipei concluded, transgressed its 'rights, claims, and essential interests'; something Washington said it would avoid." The U.S. pursued these talks with Beijing again following the 1958 crisis, still attempting to get Chiang to renounce force. "The UN tide was running against the ROC, in part because it engaged in provocative actions against the PRC; renouncing offensive operations would improve Taiwan's international image."[10]

Dennis Hickey also notes the ambiguity of America's policy toward Taiwan, stating "The United States pledges a gradual reduction of arms sales to the ROC, but it does not claim that such a reduction will be readily apparent to an observer.... [and] the United States pledges to eventually terminate arms sales to the ROC, but [as of 1986 had] given no indication as to when this might

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9. Richard Bush, *At Cross Purposes: U.S.-Taiwan Relations Since 1942* (Armonk: M.E. Sharpe, 2004), 100-101.

10. Ibid., 101-102.

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happen."[11] This type of language seems deliberately crafted to leave room for maneuvering to suit U.S. interests at any given time.

Traditional extended deterrence, as discussed further in Chapter III, is a well-established approach that generally suggests that a third-party defender (D) deters an aggressor (A) from attacking a protégé (P). This is often achieved by establishing in advance specifically *in what instances* it will and will not become involved in an interstate conflict, and *to what degree* it will become involved. Clarity is a key element in defining these boundaries. For example, (D) may proclaim that it would defend (P) against unprovoked aggression by (A), but would *not* defend (P) if (P) recklessly provoked (A) into engaging in conflict. In this case, clarity is a fundamental element in upholding (D)'s role as the protector of the protégé (see Figure 2), which implicitly assumes a victim's role in this relationship.

While one can argue that even the terms described above are wrought with uncertainty, they serve here as clearly-defined boundaries for the purposes of this research. Taken as such, a potential criticism of the clarity espoused by extended deterrence remains; specifically declaring what actions serve as "red lines" that an aggressor must not dare to cross may actually encourage aggressive or antagonistic actions that approach, but do not cross, these lines. Clarity provides an opportunity for an aggressor to effectively "slice the salami"; a term referring to taking small steps toward aggressive behavior that, while not

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11. Dennis Van Vranken Hickey, "U.S. Arms Sales to Taiwan: Institutionalized Ambiguity," *Asian Survey* 26, no. 12 (December 1986): 1335.

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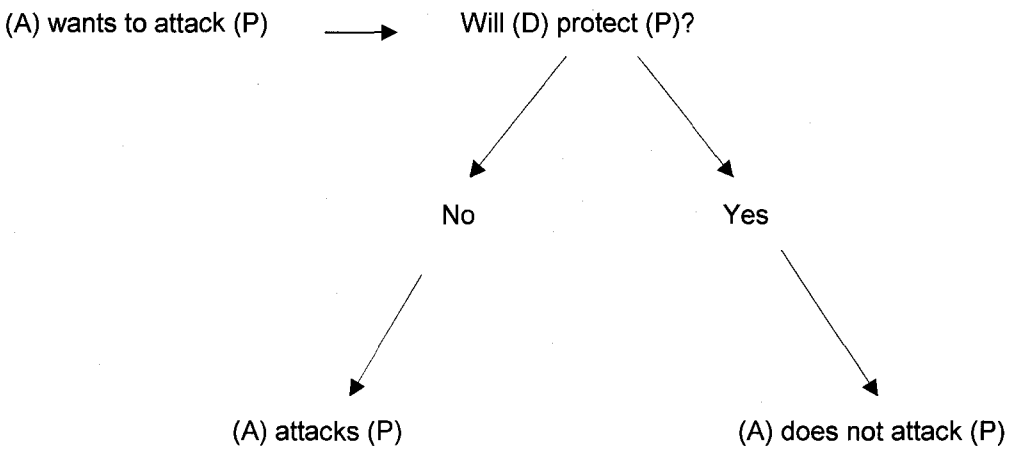

Figure 2. Traditional extended deterrence model.

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violating established boundaries individually, constitute violations when viewed collectively.

Whether domestic or international, however, such issues of politics are rarely black and white; they generally involve a gray area that is open to interpretation. Understanding the defined boundaries beforehand may encourage actors to enter into this gray area without fear of repercussion. This is analogous to a child who, having been told to stop touching his younger brother "or else," tauntingly holds his hand in front of his sibling's face, saying: "I'm not touching you...." The letter of the law has not been broken in this example, but tensions are likely to run high, with a risk of immediate escalation at any moment.

In contrast to the disadvantages of clarity noted above, pivotal deterrence relies on the power of ambiguity in playing two potentially hostile adversaries "against the middle." It argues that the third-party "pivot" (P) acts as a dual-defender that prevents two potentially hostile states—"aggressors 1 and 2" (A1, A2), which can alternate in the role of the more aggressive actor depending on the circumstances—from attacking each other by intentionally *avoiding* clarity in its intervention policy. As an example, (P) may threaten military intervention against (A1) if (A1) attacks (A2) *without substantive justification*, while simultaneously threatening (A2) that (P) would not defend (A2) if (A2) *intentionally provoked* (A1). In this approach, (P's) position promotes peace between the aggressors by creating uncertainty as to whether it will support *either* side in a given situation. By threatening both sides simultaneously, this

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also encourages concessions by each aggressor to avoid isolation from the pivot; this is known as the "ingratiation effect."

A central aspect of pivotal deterrence is the insurance-based "moral hazard" (illustrated in H_1); a situation that arises when the pivot's pledge of protection encourages those who receive it to behave more recklessly than they would behave without it. In other words, if an aggressor believes that its actions can be undertaken safely from behind the shield of a strong third party, there is more incentive for the aggressor to do so. The moral hazard, therefore, is a critical element of the pivotal deterrence model. Other factors include the aggressors' alignment options (illustrated in H_2), the pivot's interest in the stakes (illustrated in H_3), and the benefits available to the aggressors (illustrated in H_4).

An underlying premise of pivotal deterrence simply posits that each adversary would rather that the pivot were aligned *with it* than anything else, or that the pivot were neutral than aligned *against it*. In the Strait crises, both China and Taiwan would prefer to have the United States on their side, but if it is not, they would both prefer it to remain neutral than support their adversary. This premise assumes that: (1) the United States believes that both China and Taiwan harbor aggressive aims toward the other, and (2) that under some more or less favorable condition, they would use force to achieve their goals.

THREE SCENARIOS FOR PIVOTAL DETERRENCE

Using the concepts described above, Crawford described three basic "triangular scenarios" wherein pivotal deterrence can help to illustrate the role of

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the United States in affecting the actions of the two aggressors.[12] In each of these, the best course of action is to avoid making firm commitments to either side. In all three, the United States as the pivot (P) has three options in regard to China and Taiwan (aggressors [A1] and [A2] respectively and/or alternately): to align with (A1), to align with (A2), or to remain neutral. In practice, the situation may shift between the three scenarios depending on the state of the trilateral relationship over time, as illustrated in the three scenarios below. Each scenario presents unique challenges for a pivotal deterrence model.

Scenario 1

This first scenario assumes that both China and Taiwan would be deterred from aggression at any given time only if they each thought that the United States would align with their enemy *against* them. The trick here is for the United States to convince each side individually that it would join their rival and fight against them if either were to instigate aggression. To accomplish this, the United States must avoid making any commitments that would embolden either side while simultaneously trying to avoid giving the impression that it would stand aside if they were to provoke war (see Figure 3). This is the heart of the dilemma, and is what makes this strategy so difficult to enact successfully; by refusing to choose what it would do *before* aggression takes place, the United States may inadvertently send a signal that it would also not intervene *after the fact*.

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12. Crawford, *Pivotal Deterrence*, 5-9.

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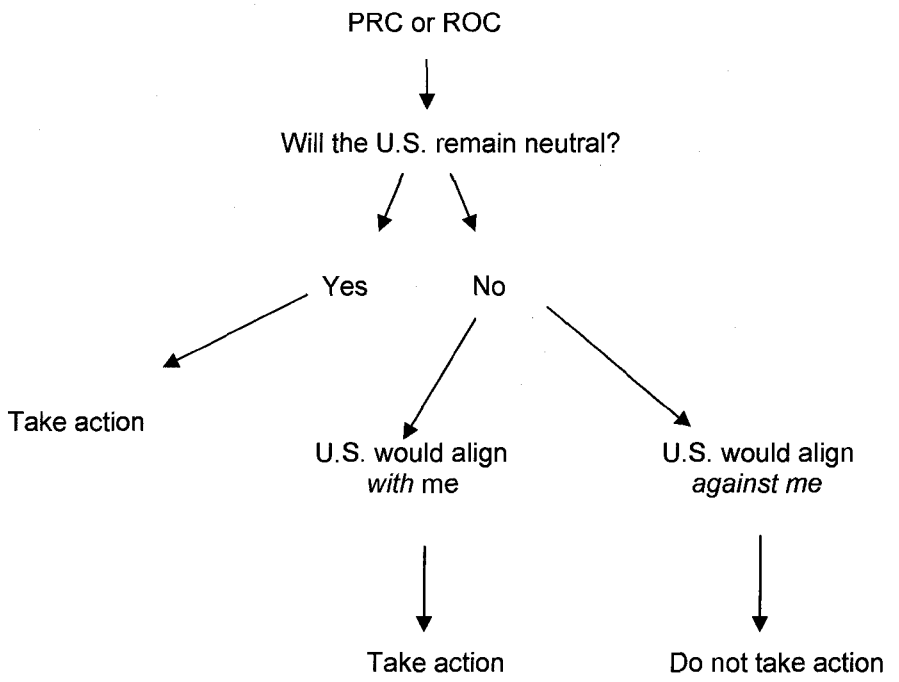

Figure 3. Scenario 1.

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Alternatively, however, this strategy also is very likely to fail and to lead to conflict if the aggressor falsely assumes the pivot will support it.

Scenario 2

In this second scenario (see Figure 4), either China or Taiwan would undertake hostile action *only* if they would have the United States' firm allegiance; each needs the power of the pivot. If, at any time, they were certain they had the support of the United States behind them, they would be much more likely to assert their aggression and would be more confident of success than if they did not. In this situation, the United States may effectively deter both aggressors simply by denying either of them clear assurances of American support in the event of war.

To illustrate this scenario, the United States may attempt to immobilize China with the prospect of not intervening if it attempted to "liberate" Taiwan by force, while also attempting to immobilize Taiwan with the prospect of not supporting Taipei if it instigated conflict by declaring independence from mainland China. All else being equal, this is the scenario in which pivotal deterrence appears easiest to demonstrate.

Alternatively, the United States in this scenario also has the option of deciding that it does not want to intervene at all. It can threaten to essentially de-commit from the relationship with a "pox on both your houses" policy—branding both sides as aggressors or arguing that the situation is too close to call, thereby negating the rationale for maintaining the alliance. In this context, it shows that

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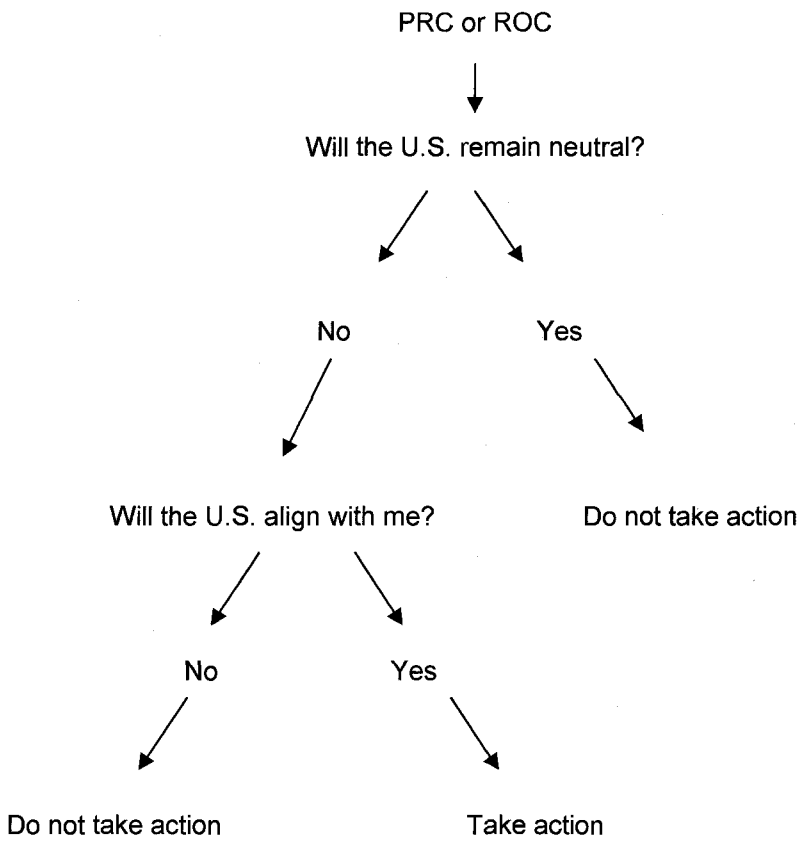

Figure 4. Scenario 2.

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pivotal deterrence works because of, not in spite of, the essential ambiguity at its core.

Scenario 3

This third scenario (see Figure 5) is perhaps the most difficult case for pivotal deterrence, as the conditions for taking action are not equal for both aggressors; the threshold for taking action is lower for one than for the other. Here, (A1) would go to war whether the pivot supported it or remained neutral, but (A2) would only take action with the firm allegiance of the pivot. The role of ambiguity in the pivot's policy is not eliminated in this scenario, but the range of possible strategies is significantly narrowed.

To illustrate this point, for example, the United States never committed to defend Taiwan under *all* circumstances. It refused to support Taiwanese independence in order to deter any provocation from Taipei, but maintained its commitment to ensuring a "peaceful" solution to the conflict and to helping Taiwan defend itself against an unprovoked Mainland attack; thereby deterring Beijing while restraining Taipei.

The central problem here is that the United States must instill *contradicting* fears in both China and Taiwan simultaneously. It must accomplish this by convincing them that it may shift its support for either side to the other, or withdraw, deciding upon its alignment depending upon the conditions. To the aggressor who would choose war *only with* the United States' support, Washington would hold out the threat of neutrality. To the aggressor who would

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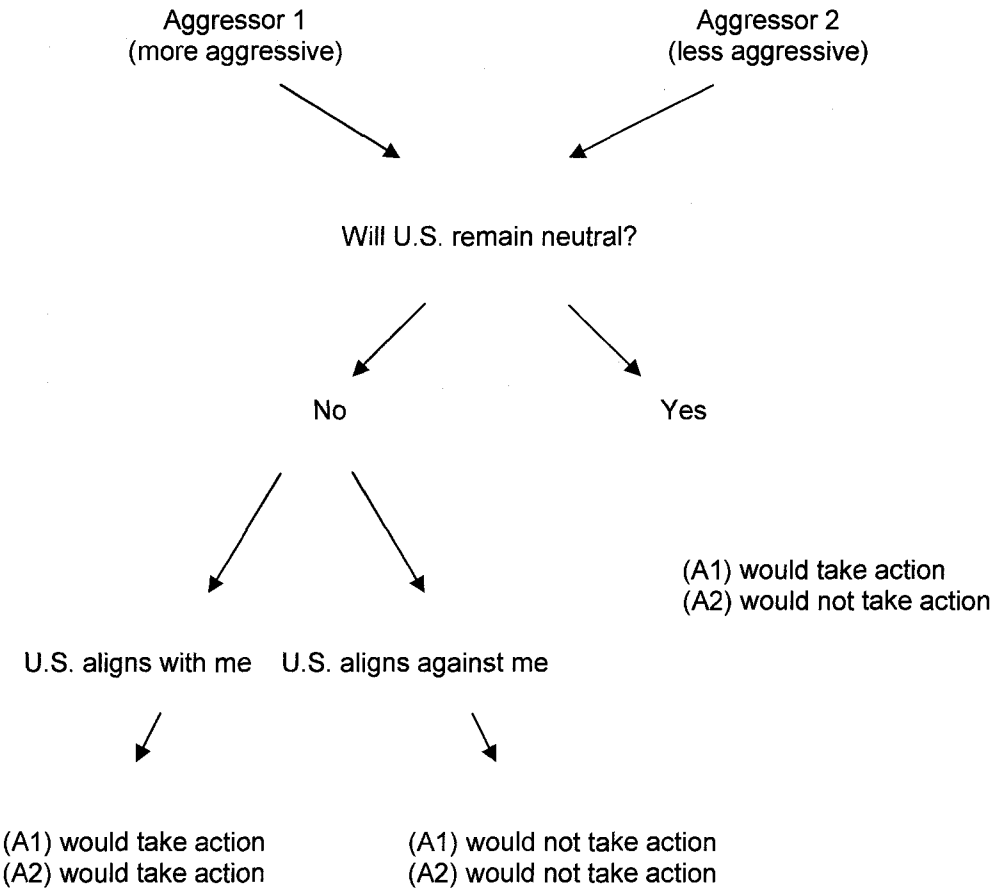

Figure 5. Scenario 3. A commitment to remain neutral or to support either side results in war. The only option is to make each aggressor believe that the pivot may align with the other side.

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go to war if the United States remained neutral, Washington would hold out the threat of an alliance with the aggressor's enemy. Therefore, a firm public commitment to either course of action would negate the United States' leverage over one side, requiring that its deterrence position remain ambiguous. This scenario assumes that (P) would not fight a two-front war against (A1) and (A2).

THE RESEARCH HYPOTHESES

The section below presents the four hypotheses of the research. Whereas the dependent variable is presence or prevention of full-scale military conflict, each hypothesis addresses one of the independent variables: insurance/moral hazard, alignment options, interests, or benefits. The four intervening variables, as mentioned above, are the pivot's power relative to the aggressors, the pivot's preference for maintaining the status quo, the pivot's belief that both aggressors hold revisionist aims toward each other, and each adversary's perception of the other as more threatening than the pivot. These will all be addressed again in Chapter VII.

Hypothesis One: the Moral Hazard

A key element of pivotal deterrence, the moral hazard is a problem that arises when one actor insures another against the consequences of its actions. For example, a person may be more likely to attempt a risky stunt, such as walking on a high ledge or swinging from a trapeze, when there is a net or airbag below them to ensure their protection if they fail in their attempt. Without the

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security provided by the net (the insurance), the person may be much more cautious or flatly refuse to engage in the activity.

Similarly, states fall prey to the moral hazard when they believe they can act recklessly toward another state because a third party insures them against retaliatory actions. Believing that the United States will protect it, for example, Taiwan may feel secure enough to instigate actions it knows mainland China will find unacceptable. The first hypothesis presents the following argument:

H_1: Holistic pivotal deterrence was more likely to fail when the United States insured China or Taiwan against the risks of their behavior. Conversely, holistic pivotal deterrence was more likely to succeed when the United States did not insure China or Taiwan against the risks of their behavior.

This element is a factor of the original pivotal deterrence model, and seeks to demonstrate a correlation between levels of aggression and perceived support from the pivot. If it holds true, then it would support pivotal deterrence's argument *against* strategic clarity in favor of ambiguity. As an example, if the United States had insured Taiwan against the risks of the Nationalist forces' attack on the Mainland, it most likely would have specifically stated that it would use offensive military force against Communist Chinese military actions in retaliation. Alternatively, if the United States had insured Taiwan against the risks of reclaiming, or declaring independence from, the Mainland, it would have imposed itself in such a way as to act as a "tripwire"; any military retaliation from the Mainland would have directly involved U.S. forces, thereby justifying U.S. retaliation in self-defense. On the other hand, if the United States were to insure

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mainland China, Washington would have only had to declare a policy of nonintervention: that Communist Chinese military actions against Taiwan were not a threat to U.S. interests, and that the United States would not intervene, so long as Communist Chinese forces did not target U.S. forces.

Hypothesis Two: Alignment

A state's alignment options refer to its external relations with other states as sources of military or diplomatic support. As a critical condition, however, these alternative alliances must be of such significant stature as to make a difference in the balance of power. Having a plethora of weak, insignificant states on one's side does not qualify as alignment options in this context.

An aggressor state that has many alignment options will have more latitude in its decisions toward another state, regardless of the interests of the pivot, because it would not be dependent upon the pivot for continued support of its own needs. An aggressor state that has few alignment options, however, will be greatly constrained in its actions toward other states, since it will be inherently more dependent on the pivot. With no alternative direction to turn, therefore, an aggressor that is *without* alignment options can be pressured by a pivot to follow its direction more readily than can an aggressor *with* options. This second hypothesis presents the following argument:

H_2: Pivotal deterrence was more likely to succeed when China's and Taiwan's alignment options were scarce. Conversely, pivotal deterrence was more likely to *fail* when China's and Taiwan's alignment options were *abundant*.

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This is a factor of the original pivotal deterrence model, and also is a significant aspect for pivotal deterrence because it demonstrates a correlation between the aggressors' acceptance of the pivot's desire for peace and their access to alternative resources. If this hypothesis holds true, it could suggest an important condition for recognizing when one might expect pivotal deterrence to be effective in specific situations and relationships. In contrast to the first variable, moral hazard, which is highly subjective, identifying indicators for alignment is more objective because factors such as diplomatic recognition and military aid are, generally speaking, quantifiable matters of record.

Hypothesis Three: Interests

When a pivotal state maintains a preponderance of power in a security relationship, taking action to protect *vital* interests is practically a foregone conclusion. Whether that same state will take action to protect *secondary* interests, however, is less certain. In this situation, therefore, a level of uncertainty as to the pivot's level of interest may force aggressor states to question whether threatening the pivot's interests will cause it to intervene or to stand aside. In other words, aggressors will be more certain of intervention involving vital interests than secondary ones. In opposition to the original pivotal deterrence model, this third hypothesis presents the following argument:

H_3: With the United States as a preponderant-power pivot, holistic pivotal deterrence was more likely to succeed when interests in the Strait were secondary. Conversely, holistic pivotal deterrence was *less* likely to

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succeed when interests were *vital* (i.e., secondary interests invited ambiguity; vital interests invited clarity and insured action).

While this element contradicts the original pivotal deterrence model, it demonstrates how interests and policies are correlated. Evidence supporting this hypothesis would imply situations when pivotal deterrence should or should not be effective in relation to the pivot's interests. For the purposes of this research, vital interests are defined as those that Crawford describes as involving an actor's "self preservation, political independence, and, by extension, 'defense of strategically vital areas'"; secondary interests may involve "maintaining trade routes, the safety of your allies, and even national 'prestige,'"[13] but their compromise probably would not have a significant effect on one's security, economy, or power.

Hypothesis Four: Benefits

States generally act aggressively when they seek to take something from their rival, whether that "something" is political, economic, territorial, or otherwise. When a pivotal state can offer some benefit that the aggressor values *more* than that which it covets from its rival (this may be physical, economic, ideological, social, or political), the aggressor may be deterred from acting on its lesser interests if doing so will result in losing the benefit from the pivot. The fourth hypothesis presents the following argument:

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13. Crawford, *Pivotal Deterrence*, 31.

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H_4: Holistic pivotal deterrence was likely to succeed when China and Taiwan each wanted to get or keep what benefits the United States could give or take away more than what they wanted to take from their rival. Conversely, holistic pivotal deterrence was likely to fail when China and Taiwan coveted something of their rival's more than what they would get or keep from the United States.

This fourth element is not included in the original pivotal deterrence model, but it demonstrates how "sticks and carrots" can be used to manipulate the behavior of aggressor states in a pivotal deterrence security relationship while also maintaining the requisite ambiguity for its success. This is also the element that goes beyond traditional elements of power to give this model the characteristics of "holistic pivotal deterrence."

To illustrate this factor, consider the following: If Taiwan wanted to declare independence from the Mainland, but such action would cause the United States to withdraw its military aid or flatly refuse to provide military protection, then Taipei would have to weigh its chances of success without the United States against the probability of needing U.S. benefits. Likewise, for example, if China wanted to reclaim Taiwan by force—assuming such action would not result in direct U.S. military intervention—Beijing would have to consider those repercussions, such as trade sanctions, the United States might impose upon it as a result; restrictions upon basic trade or upon transfers of technology could have a significant effect upon mainland China's development.

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The Complimentary Nature of Holistic Pivotal Deterrent Factors

In any security relationship, multiple factors usually are in play simultaneously. Many view military power as a key indicator of a nation's strength; but while a large, well-equipped and well-trained military can be a reflection of a state's power, so can other, less tangible factors. Economic strength can provide a level of independence from other states, for example, while a crumbling social structure can throw a powerful nation into turmoil. And a wide network of diplomatic relationships can provide a country with a variety of alliance options, whereas isolation can leave it with few or none. Crawford notes that "an important qualification" in all of this is that the aggressors "are 'risk averse'"; demonstrating at least a "thin" sense of rationality.[14]

These factors all play significant roles in determining a state's level of power and security, but each factor is dynamic and subject to wide fluctuations. Over time, one or more of these factors often change, leaving the state to reassess and adjust its position as necessary to compensate for any gains or losses. Just as gains may embolden a state to assume a more aggressive position, losses may force it to seek alternative sources of military, political, social, or economic influence or support. This research addresses all of these factors in the Taiwan Strait throughout the crisis junctures under consideration. This approach will help to explain how and why various elements of pivotal deterrence apply differently at various junctures.

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UNDERSTANDING THE HOLISTIC PIVOTAL DETERRENCE MODEL

Before testing or applying this model to a specific case, one should take care to ensure that the situation appropriately matches the model's requirements, and should also recognize the difficulty in maintaining the ambiguity necessary for the model to be effective. If the four preconditions—of preponderant power, status quo goals, revisionist adversaries, and the pivot being perceived as the lesser threat in the relationship—are shown to exist prior to the model being applied, then one can expect the success of holistic pivotal deterrence to be directly correlated to the strength of each of the independent variables espoused in the hypotheses.

The model does not require that all of the independent variables apply equally in relation to each other; one may be stronger than, and make up for weaknesses in, another. As the model considers the totality of the situation, so too does the deterrent effect consider the overall application of the variables. It is important to keep in mind that even if the trilateral deterrent relationship is applicable to this model, every actor will possess different qualities that will apply less or more directly to each variable. It is the responsibility of those assessing the relationship or developing the security strategy to understand these inherent nuances.

It is also important to understand that it is not necessary for all of the variables to apply to both aggressors, or for them to apply to both aggressors equally; particularly if only one of them is pushing toward taking action. And as

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14. Ibid., 22.

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illustrated in the three separate scenarios from Chapter II, the deterrent requirements may be different for each aggressor. Of the two aggressors, for example, the benefits variable is more likely to be effective against the aggressor that is more dependent upon the pivot, and the insurance variable is more likely to be applied to the aggressor closer to the pivot. This is not a flaw of the model, but a simple truth; each actor can be expected to have different needs, and to respond differently to the same leverage.

The ambiguity involved in maintaining the deterrent cannot be taken for granted. If the pivot is not ambiguous enough, the aggressors may think they understand the pivot's intentions. But if the pivot it too ambiguous, the aggressors may not consider the pivot's threats to intervene as credible. Where the reality of the situation is likely to force the pivot away from the appropriate level of ambiguity, the pivot should identify its ultimate interests in advance and develop a contingency plan in the event deterrence fails and the aggressors move to disrupt the status quo.

Finally, one should understand that the pivot does not necessarily threaten to shift its support from one aggressor to the other; it is not a case of simply "changing sides." If the pivot ambiguously offers to protect the aggressor closer (more closely allied) to the pivot to deter the other aggressor, but threatens not to support the closer aggressor if it attempts to disrupt the status quo, the pivot does not automatically align itself with the more hostile aggressor to deter the closer aggressor; the threat of withdrawing its protection from the closer aggressor is enough of a deterrent.

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TESTING THE HYPOTHESES

By applying these four hypotheses—based upon insurance, alignment, interests, and benefits—to the four crisis junctures in the Taiwan Strait, this research examines whether holistic pivotal deterrence can effectively maintain relative peace and stability in the region. It also illustrates the integral role of ambiguity in the model. While many researchers use more traditional approaches, such as extended deterrence, to explain events such as those discussed in this research, understanding security policies, such as those in the Taiwan Strait, is a complex matter that can benefit from alternative approaches. This research posits that the crises in the Strait could be more clearly understood if viewed through the lens of holistic pivotal deterrence; demonstrating how uncertainty, more so than clarity, can convince aggressive states that seeking conflict is neither their best option nor in their best interests.

As noted in the previous chapter, this research seeks to expand the range of perspectives and viewpoints for academics, policymakers, and others to better understand these phenomena by applying the holistic pivotal deterrence model to the assertions presented herein. It is through this lens which one may view the dynamics of the regional security relationship in a new way. The research also seeks to illustrate situations in which pivotal deterrence can be an effective model for recognizing, understanding, and applying options when faced with the prospect of, or the potential for, third-party intervention based on an ambiguous strategy.

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SUMMARY

As described above, this research applies holistic pivotal deterrence to four empirically testable, although somewhat subjective, hypotheses: First, when U.S. power insured China or Taiwan against the risks of acting aggressively, they were more likely to do so. Second, strategic ambiguity worked most effectively when China or Taiwan had few or no alignment options other than the United States. Third, an ambiguous security policy was more likely to be successful when the interests being protected were not vital. And fourth, China and Taiwan were likely to avoid war when each wanted what they were able to get from the United States more than what they wanted to take from each other. These hypotheses will be discussed in greater detail in subsequent chapters.

Pivotal deterrence seeks to explain how an ambiguous third-party security policy can maintain peace and stability in a region of potential or limited conflict while simultaneously maintaining policies that are potentially contradictory. Building on this concept, this research applies the holistic pivotal deterrence model to the Taiwan Strait crises in order to illustrate how well it explains the absence of conflict escalation in the region in the second half of the 20th century.[15]

The United States employed its strength as a superpower to influence events in parts of the world other than the Strait throughout the first half of the

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15. This paper presents an analytic argument on the merits of pivotal deterrence as discussed herein, and should be considered only one of many approaches to understanding security in the Strait in the context of this research.

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20th century,[16] but employed it quite differently during the Strait crises than it did during WWI, WWII, or the Korean War. Rather than clearly committing its military to direct combat in the Strait, the U.S. combined its military capabilities with the power of uncertainty to deter those actions that it determined posed the greatest threats to stability in the region.

This chapter provides a general overview of the trilateral relationship as it applies to the research, but later chapters will go into more detail on the specifics of each juncture. It introduced the methodology and explained the key factors of the research, and included an introduction to pivotal deterrence and its fundamental qualities. It also presented the four hypotheses of the dissertation that are applied to key junctures under study in the United States-China-Taiwan relationship. Throughout these junctures of crisis in the trilateral relationship, the longstanding policy of strategic ambiguity that is the cornerstone of this model had indicated unqualified support to neither the government in Taipei nor in Beijing; even as the United States projected its military power into the region.

A topic of frequent debate revolves around the factors that prevented both Taiwan and China from engaging in major conflict across the Strait, despite the desires of both parties to change the status quo. This research investigates, and seeks to support, the argument that ambiguity was a critical element that prevented either aggressor from knowing with any certainty just how far the

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16. While some analysts focus primarily on military power as a reflection of a state's strength, this research considers all factors of power, including diplomatic, social, military, and economic.

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United States would allow either to push—or under what circumstances the United States would become militarily involved—and thus prevented the escalation of force. Ambiguity is largely credited with allowing the United States to maintain some degree of control over the political-military forces of both the PRC and ROC, and with maintaining the relative peace across the Strait. Whereas China and Taiwan have both acted aggressively toward each other and sought to alter the status quo, strategic ambiguity appears to have played a significant role in maintaining stability in the region for over 50 years.

The next chapter presents the theoretical framework for pivotal deterrence: its fundamental qualities, how it compares to other approaches to deterrence, military capabilities, three scenarios for pivotal deterrence, key assumptions for the research, and the parameters for the overall assessment. This assists the reader in developing the context for further discussion of the holistic pivotal deterrence model.

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CHAPTER III

THEORETICAL FRAMEWORK

This chapter provides an overview of the mainstream theories and explanations for the absence of war between the PRC and ROC. It highlights some relevant schools of thought and factors in international relations conflict theories in order to provide an understanding of how they explain power, state behavior, and security. These include general and extended deterrence, compellence, rationality, game theory, credibility, capability, and absolute and relative gains. This chapter illustrates these theoretical concepts to provide a framework for explaining the subsequent research findings.

This chapter presents some fundamental aspects of deterrence and describes how it applies to the situation in the Strait, and presents some alternative approaches to deterrence and discusses the role of two major elements—rationality and credibility—in maintaining an effective deterrent position. It discusses the role of military capabilities and the role of absolute and relative gains as they apply to military power, and also presents the elements of, and arguments for, pivotal deterrence as compared to other forms of extended deterrence. It seeks to explain how ambiguity can be more effective than clarity in maintaining an effective deterrent position and posits that defining deterrence is fundamental to presenting the different approaches, and it also holds that defining the key aspects of pivotal deterrence is necessary to understanding the relationship between the United States, China, and Taiwan, and that comparing

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extended and pivotal deterrence is useful for further clarifying the fundamental aspects.

Another purpose of this chapter is to further describe what the research ultimately seeks to explain: how pivotal deterrence can help clarify what is already generally understood about security in the Strait and how it relates to other crises. One objective of this research is to show that while realism and balance of power remain relevant, regimes and perceptions also are relevant in applying pivotal deterrence in the Strait.

In setting the theoretical framework for testing the hypotheses, this chapter addresses several issues. It begins by discussing the generally accepted definition of deterrence and identifying its strengths and weaknesses. It then addresses differences in alternative approaches to deterrence and explains how deterrence is addressed in the scope of this research. Next, it illustrates how this model is applied to the case studies of the Taiwan Strait, the assumptions that guide the analysis, and the parameters within which the results are considered and presented.

DETERRENCE AND THE TAIWAN STRAIT

In discussing the relationship between China, Taiwan, and the United States, one must consider how deterrence generally affects security relations between actors. This section presents various approaches to deterrence, since recognizing alternative concepts is important for understanding the trilateral security relationship and how deterrence relates to international security studies.

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A subsequent review of the pivotal deterrence model will highlight the roles, strengths, and weaknesses of extended and dual deterrence in relation to maintaining security in the Strait.

The concept of deterrence is widely understood as a key element of security studies. It is certainly applicable to the Strait and is often credited for maintaining peace between potentially hostile actors such as China and Taiwan. Patrick Morgan states that, when one actor threatens another, "deterrence is the threat to use force in response as a way of preventing the first use of force by someone else."[1] Following this concept, the vast amount of literature on deterrence presents a variety of differing approaches for understanding the crises in the Strait. While the term "deterrence" within the realm of international relations usually refers to situations between rival *states*, it does not necessarily preclude other defined units from falling within the definition. Deterrence may involve an ally, a protectorate, or a friendly neutral actor. But whatever the unit, one may reasonably argue that the threat of military action or other force remains a central element.

As this chapter describes in greater detail below, Morgan places deterrence into two categories: *general* and *immediate*. As states more frequently find themselves between crises than within them, one may note that general deterrence is the more common, but arguably more difficult, of the two categories to qualify.

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1. Patrick Morgan, *Deterrence: A Conceptual Analysis*, 2nd ed. (Beverly Hills: Sage Publications, 1983), 30.

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General deterrence applies to situations where the use of force is not imminent, but where opponents maintain the potential to employ force at some future time—e.g., during periods of relative normalcy. It can be described as a relationship among two or more states wherein "leaders in at least one would consider resorting to force" to alter the status quo, and wherein "the other side, precisely because it believes the opponent would be willing to consider resorting to force, maintains forces of its own and offers warnings to respond in kind to attempts to use force contrary to its interests."[2] But largely because this describes a situation where force has not yet been employed by either side, it is difficult to identify precisely when general deterrence has succeeded. In the absence of proof in the form of the deterred's own admission of effect, as Huth and Russett argue, there often is little evidence to show whether an actor was actually deterred from attacking, or never intended to attack in the first place.[3]

By contrast, immediate deterrence applies where the use of force by (A) is imminent and the threat of retaliation by (B) must be presented in very short order—e.g., crisis situations when general deterrence has failed.[4] It is employed when general deterrence has failed; after "the challenger couples a demand for change in the status quo with the threat or initiation of military action."[5] Lebow

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2. Ibid., 42-43.

3. Paul Huth and Bruce Russett, "What Makes Deterrence Work? Cases from 1900 to 1980," *World Politics* 36, no. 4 (July 1984): 497; and Richard Lebow and Janice Stein, "When Does Deterrence Succeed, and How do We Know?" Occasional Paper no. 8 (Ottawa: Canadian Institute for International Peace and Security, 1990).

4. Morgan, *Deterrence*, 30-31.

5. Paul Huth and Bruce Russett, "General Deterrence Between Enduring Rivals: Testing Three Competing Models," *American Political Science Review* 87, no. 1 (March 1993): 62.

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and Stein posit, however, that this is merely a short-term strategy intended to discourage an imminent attack or challenge of a specific commitment.[6]

Deterrence is not always utilized on an actor's own behalf, however. At its core, the security situation in the Taiwan Strait is a version of *extended deterrence,* wherein a state's deterrent posture protects a third party from the threat of force by another actor—i.e., where a defender (D) prevents an attacker (A) from attacking a third party protégé (P), as evidenced in America's protection of West Germany against the Soviet Union. Huth and Russett warn, however, that maintaining this balance can be a more precarious and demanding task than that of deterring a frontal attack on oneself.[7] Samuel Wu extends the description: If (D) initiates a *counterthreat* in response to (A's) signal of hostile intentions toward (P) (i.e., if general deterrence has failed) in concert with (P's) resistance, then this is considered *extended immediate* deterrence.[8] Extended deterrence generally establishes clear boundaries that, if (A) crosses, will cause (D) to become involved to protect (P).

To be clear, however, Morgan makes the point that deterrence should not "be confused with the use of threats to prevent or paralyze opposition or to interfere with one's aggressive objectives, for this promises attack and not retaliation";[9] it is too late at this point. The difference is that deterrence passively

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6. Richard Lebow and Janice Stein, "Deterrence and the Cold War," *Political Science Quarterly* 110, no. 2 (Summer 1995): 161.

7. Huth and Russett, "What Makes Deterrence Work?" 496.

8. Samuel Wu, "To Attack or Not to Attack: A Theory and Empirical Assessment of Extended Immediate Deterrence," *The Journal of Conflict Resolution* 34, no. 3 (September 1990): 532.

9. Morgan, *Deterrence*, 32.

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suggests the threat of retaliation if aggression occurs; not afterward. Conversely, *compellence* or *coercion* is actively using the threat of force to make an actor take or cease an action, as discussed in greater detail below.[10] This is sometimes improperly used to describe deterrence, but is a very different concept.

ALTERNATIVE CONCEPTS OF DETERRENCE

Deterrence may be generally described as a psychological power that prevents one actor from doing something that another actor does not want it to do. This concept is found in many aspects of society throughout history: Legal systems may use the threat of fines, incarceration, or capital punishment to deter citizens from committing crimes; families often instill a sense of obligation and respect to deter children from acting out against their parents; and states often project military strength in an attempt to deter other states from taking hostile actions against them.

All of these examples, however, are fallible in that they do not effectively deter everyone in all circumstances, and in that the deterring actor frequently must resort to alternative measures after deterrence has failed—whether sending a criminal to prison, a child to his or her room, or troops to a foreign country to confront an aggressor. There is no 100-percent reliable method to determine whether an attempted deterrent will be effective in a given situation.

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10. For the purposes of this research, the terms "compellence" and "coercion" are used interchangeably.

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Compellence and Deterrence

Before delving too far into deterrence, this section will further discuss the related, but distinctly different, strategy in dealing with interstate conflict: compellence. Whereas deterrence is designed to *prevent* an actor from taking a specific action, compellence is designed to convince an actor to *give up* something it has already started, obtained, or achieved. Many deterrence theorists maintain that, as Schelling states, with "other things being equal, compellence is ... more difficult to implement in practice" in comparison to deterrence.[11] This is because, as Richard Lebow and Janice Stein explain, "compellence requires the target to act in ways that are highly visible and, therefore, more likely to involve major costs that affect important domestic constituencies and foreign allies."[12] This is in contrast to deterrence, which requires that a potential attacker merely refrain from taking a specific action, which is often an "invisible concession."

In the latter case, an actor can deny that the action was even going to be taken in the first place, whereas the former creates the potential problem of having to "save face" among peers. The political difference between deterrence and compellence can be dramatic. As Walter Petersen argues, efforts to change

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11. Thomas Schelling, *The Strategy of Conflict* (New Haven: Yale University Press, 1966), 42.

12. Richard Lebow and Janice Stein, "Deterrence: The Elusive Dependent Variable," *World Politics* 42, no. 3 (April 1990): 351.

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the status quo are more likely to result in war than are efforts to deter one's opponent from doing so.[13]

Not all deterrence theorists treat compellence as conceptually distinct from deterrence, however. Even Lebow and Stein contend that the two strategies are often practiced jointly and in ways that effectively blur the distinctions between them. They argue that "deterrence may be used to reinforce compellence, and compellence to deter."[14] While recognizing the potential value of compellence as a deterrence multiplier, this research considers the distinction significant and maintains that they are fundamentally different. For example, Ross posits that the 1995-96 confrontation in the Strait combined Chinese coercion and U.S. deterrence, stating that "China used coercive diplomacy to threaten costs until the United States and Taiwan changed their policies. The United States used deterrence diplomacy to communicate to both Chinese and regional leaders the credibility of its strategic commitments. Washington used force not to defend its Taiwan policy, but to defend its strategic reputation by influencing perceptions of U.S. resolve."[15]

Supporting this perspective, Scobell presents an argument that both coercion and deterrence can serve as diplomatic tools; identifying the 1995-96 crisis as a case of coercive diplomacy and calling it "the result of a civil-military

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13. Walter Petersen, "Deterrence and Compellence: A Critical Assessment of Conventional Wisdom," *International Studies Quarterly* 30, no. 3 (September 1986): 279.

14. Lebow and Stein, "Deterrence: The Elusive Dependent Variable," 352.

15. Robert S. Ross, "The 1995-96 Taiwan Strait Confrontation: Coercion, Credibility, and the Use of Force," *International Security* 25, no. 2 (Autumn 2000): 88.

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consensus."[16] He posits that the PRC military exercises, which involved firing missiles toward Taiwan, "were clearly defined, circumscribed in terms of location, duration, and scope. This was explicitly communicated several days in advance to Taipei and Washington.... By contrast, preparations for the exercises of March 1996 were undertaken many months before, and advance warnings were communicated that more saber rattling could be expected.... Still, Chinese leaders were certainly concerned about the U.S. response."[17] And Garver argues that "in the PLA's view, its actions were not seen as very dangerous or risky, especially to gauge from the muted U.S. response until early 1996."[18] Based on these observations, this author contends that compellence and deterrence can be effective whether employed individually or in combination.

CHINA, TAIWAN, AND RATIONAL CHOICE

Rational choice can be considered a way of thinking that reflects the way humans make decisions, based upon observation and experiment, and consisting of "a mental model of the future and predicted outcomes for alternative choices.[19] Communist and Nationalist China each assumed aggressive positions during the various crises in the Strait, but whether they fully considered the consequences of their actions is an important point of debate. If either side were

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16. Andrew Scobell, "Show of Force: Chinese Soldiers, Statesmen, and the 1995-1996 Taiwan Strait Crisis," *Political Science Quarterly* 115, no. 2 (Summer 2000): 228.

17. Ibid., 237-37.

18. John Garver, *Face off: China, the United States and Taiwan's Democratization* (Seattle: University of Washington Press, 1997), 85-86.

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to deter the other, the decision-makers must have maintained some idea of how the other might react to any given action. One popular approach to explaining how deterrence functions among and between states takes the position of viewing states' leaders as being capable of making rational decisions. George Downs describes two versions of this approach, which he terms "rational deterrence": a "weak" version that simply views the outcome of choices as a cost/benefit function; and a "strong" version that also considers the shape of utility functions, the cost of war, the probability of winning, the effects of misperceptions, and numerous other factors. But while the weak version is sometimes criticized for being "thin," Downs notes, the strong version is said to encompass too many factors to make it practical in times of crisis.[20] While both versions appear useful in their own right, each places different demands upon researching the topic. And whether weak or strong, rational deterrence will ultimately require an actor to predict the potential responses to any decision.

Some critics of deterrence theory rest their case against it on the inadequacy of the rational actor model, arguing that people often do not make rational decisions. Zagare suggests, however, that since there is a critical difference between the rational *actor* model and the assumption of rational *choice*, which is sometimes taken to be synonymous with it, many of the

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19. Kenneth Watman and Dan Wilkening, *U.S. Regional Deterrence Strategies* (Santa Monica: RAND, 1995), 17-18.

20. Some inherent ambiguities include determining when deterrence succeeds, the appropriate time frame to study, defining what counts as conflict, and other variables.

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criticisms are beside the point.[21] Huth and Russett simply use the term "rational" in the context of an actor having the ability to order preferences and to make decisions according to that ordering, and one's perceptions regarding the likelihood of various outcomes, stating "A rational decision-maker may be risk-averse, or risk acceptant. The assumption of rationality does not require that perceptions be accurate, or that a given decision-maker's preferences be the same as other people's ... only that he choose the option with the greatest expected utility at the time."[22] This concept is also the premise of what some term the "expected-utility" model.

Assessing whether Chinese Communist and Nationalist decision-makers were rational during these crises requires one to consider the question of what makes an actor rational or irrational. Verba describes a rational actor as someone who bases any response to an event upon a "cool and clearheaded ends-means calculation," using the best information available and chooses ... that alternative most likely to maximize his goals."[23] As Zagare suggests, making such a decision requires each actor to assess the potential preferences of other relevant actors and their likely responses to his own tactical choices; that is, to his own concessions or threats.[24] Sigal notes that a rational policy model approach characteristically tends to attribute aggressiveness to one side in a

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21. Frank Zagare, "Rationality and Deterrence," *World Politics* 42, no. 2 (January 1990): 238.

22. Huth and Russett, "What Makes Deterrence Work?" 499.

23. Sidney Verba, "Assumptions of Rationality and Non-rationality in Models of the International System," *World Politics* 14, no. 1 (October 1961): 95.

24. Zagare, "Rationality and Deterrence," 239.

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conflict. And while Washington and Taipei may have viewed Beijing as acting aggressively, Beijing may have viewed Taipei and Washington as the true aggressors.[25]

Luce and Raiffa also provide a very clear and direct definition of a rational actor as "one who, when confronted with 'two alternatives which give rise to outcomes ... will choose the one which yields the more preferred outcome.'"[26] For an actor to be rational in the instrumentalist sense described here, Zagare argues that one must have both *connected* (i.e., he must prefer *a* to *b, b* to *a,* or be indifferent) and *transitive* (i.e., if he prefers *a* to *b,* and *b* to *c,* then he will also prefer *a* to *c*) preferences over the set of available outcomes. Otherwise, his preferences are logically incoherent and are best analyzed outside a rational choice framework.[27]

Costs and Benefits

The role of expectations is a notably critical ingredient in rational deterrence, which Nalebuff posits "is based on the application of cost-benefit analysis to conflict initiation." He argues that "the costs of conflict are compared with the benefits of cooperation; if all parties prefer cooperation, then the status quo will prevail and a potential conflict is avoided. Even at that level of

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25. Leon V. Sigal, "The 'Rational Policy' Model and the Formosa Straits Crises," *International Studies Quarterly* 14, no. 2 (June 1970):152-53.

26. Duncan R. Luce and Howard Raiffa, *Games and Decisions: Introduction and Critical Survey* (New York: Wiley, 1957), 50.

27. Zagare, "Rationality and Deterrence," 240-41.

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generality, [however,] the theory is incomplete."[28] Because there is a dearth of reliable, accurate information about the CPP coming from mainland China throughout most of the 20th century, making accurate assessments probably would have been very difficult, if not impossible.

Nalebuff also states that "maximizing behavior is an essential element of rationality. It imposes cost-benefit analysis as the basis for deciding whether or not to intervene."[29] He assumes, then, that an actor will make the most beneficial choice among various options. Harmony in anarchy exists when not only every state is rational, but when every state assumes that every *other state* is rational too. Moreover, as Waltz affirms, "to allow ... for the irrational acts of others can lead to no determinate solution but to attempt to act on a rational calculation without making such an allowance can lead to [one's own] undoing." [30]

It is also important to think of states such as China and Taiwan in this context as units acting in response to the gravitational force of nationalism. In modern times, Waltz argues, feelings of nationalism are fed by the combination of loyalty to the nation state and the antagonisms that occur in the international system. Therefore, individuals tend to participate in war because they are members of states. Rational decision-making within a democratic state bureaucracy, Freedman posits, requires a position of considerable political power to balance a large degree of irrational influences, such as lobbyists or special

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28. Barry Nalebuff, "Rational Deterrence in an Imperfect World," *World Politics* 43, no. 3 (April 1991): 313.

29. Ibid., 321.

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interests. Facilitating rational decisions requires a degree of organization "so that those at the top are aware of key decisions that have to be made and have the information with which to make them."[31] While this may not be as relevant in non-democratic states or non-state groups, the implication stands that rationality is not a foregone conclusion, and must not be assumed.

But rationality, however important in decision making, does have its limits; it is not always fully based on perceptions. As Langlois argues, using the analogy of a chess player who can only rationally calculate the complexity of his opponent's upcoming moves to a certain degree, one must make decisions based solely on the amount of information one is able to cognitively process at a given moment. In chess, there are simply far too many complex calculations for most people to consider all of them simultaneously. For a game-theoretical model to assume full forward knowledge of an actor's thoughts—to assume "*unbounded* rationality—it must therefore present a fundamental and severe distortion of reality.[32] To present this another way, there are limits to how far ahead any actor can rationally determine what an adversary might do in any given situation; there are just too many variables and unknowns to warrant confidence in such situations.

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30. Kenneth Waltz, *Man, the State, and War: A Theoretical* Analysis (New York: Columbia University Press, 1959), 169.

31. Lawrence Freedman, *The Evolution of Nuclear Strategy*, 2nd ed. (New York: St. Martin's Press, 1989), 231.

32. Jean-Pierre P. Langlios, "Rational Deterrence and Crisis Stability," *American Journal of Political Science* 35, no. 4 (November 1991): 811.

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Game Theory and Deterrence

One approach to understanding rational decision-making between China and Taiwan is expressed in strategic games such as "prisoner's dilemma," wherein the best course of action for each player depends on what the other player(s) do. Snyder describes the game of prisoner's dilemma as "a paradigm ... in which the reward for *unilateral* noncooperation exceeds both the benefit from mutual cooperation and the cost of mutual benefit."[33] This concept is based on the premise that two prisoners, who are separated and cannot communicate with each other by any means, each are given the option of either defecting (D) by confessing to the crime, or cooperating (C) by remaining silent; with each option presenting a different punishment. If both remain silent (CC), then they will both serve a 1-year sentence in prison for a lesser offense. If they both confess (DD), then they will both receive a 5-year sentence. But if one confesses while the other remains silent (CD or DC), the one who confesses will receive a 3-month sentence, while the one who remains silent will receive a 10-year sentence.

Since the prisoners in the above scenario cannot communicate with each other, each actor must choose the option with the best chance of success. Because there is no way for one to know that the other will remain silent, both prisoners are likely to confess, each earning the 5-year sentence. The point here is that, had they been able to communicate, they could have both agreed to

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33. Glen Snyder, "'Prisoner's Dilemma' and 'Chicken' in International Politics," *International Studies Quarterly* 15, no. 1 (March 1971): 68.

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remain silent and received the shorter sentence. As Freedman notes, "working within the rules, there is no way out of the prisoner's dilemma."[34] Here, "rational" decisions result in sub-optimal outcomes.

Game-theoretical approaches are often criticized for presuming the rationality of the players and for ignoring factors such as mental instability, poor judgment, political pressures, or other extenuating factors. The gap between reality and theory brings a great deal of skepticism to the validity of game theory. But charges of unrealistic assumptions have been countered by theorists such as Schelling, who argued that "the assumption of rational behavior was not necessarily close to the truth, but it was productive for the development of new and relevant concepts."[35] This raises an important point: even though a theory may not reflect reality, it can still hold inherent value as an alternative to contemporary thought.

The Credibility of China's, Taiwan's, and America's Power

In the Strait, as well as other areas of crisis, credibility is a fundamental element of deterrence because, as Danilovic states, a potential attacker "must be convinced that the deterrer can and will execute its threats if the attack occurs."[36] And Morgan defines credibility as "looking like you have the will and capability to

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34. Freedman, *The Evolution of Nuclear Strategy*, 187.
35. Thomas Schelling, quoted in Ibid., 184.
36. Vesna Danilovic, "The Sources of Threat Credibility in Extended Deterrence," *The Journal of Conflict Resolution* 45, no. 3 (June 2001): 343.

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carry out your threats."[37] One may argue that if Mao did not believe U.S. military forces would intervene against a military strike against Taiwan, he would have ordered such attacks at several junctures. Zagare and Kilgour expound on its importance, stating that the "credibility of a threat to punish an aggressor is frequently taken to mean that the threat is believed, and is left at that. Typically, the next analytical step is to explore the underlying determinants of such beliefs."[38] In this approach, they argue, the principal source of uncertainty lies in a general lack of information about the preferences of one's opponent.

While Huth notes that "a potential attacker ... may find it difficult to estimate what military capabilities of a defender can be extended to the defense of an ally located hundreds, if not thousands, of miles away,"[39] this ambiguity can also play to the defender's advantage. By considering how one may take advantage of uncertain credibility of threats in such instances, one is better able to understand the role of threats in contributing to, or detracting from, the robustness of deterrence. Within much of the strategic literature, credibility has frequently been considered to be synonymous with believability. Conversely, Zagare and Kilgour argue, threats that are not believed are not credible—as was the situation with the Eisenhower administration's threat to inflict nuclear

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37. Patrick Morgan, *Deterrence Now* (New York: Cambridge University Press, 2003), 101.

38. Frank Zagare and Mark Kilgour, "Credibility, Uncertainty, and Deterrence," *American Journal of Political Science* 35, no. 2 (May 1991): 305.

39. Paul Huth, *Extended Deterrence and the Prevention of War* (New Haven: Yale University Press, 1988), 4.

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devastation on the Soviet Union for relatively minor transgressions of the status quo,[40] or U.S. nuclear threats in the Strait.

The credibility of threats has been closely linked with their perceived levels of rationality, which, as Schelling argues, creates a deterrence paradox: for actor (A) to threaten actor (B) if (B) misbehaves, it is irrelevant how much actor (A) would also be hurt in the process—*provided that* actor (B) *believes* the threat.[41] Lebow points out that the advent of the nuclear age has, in some ways, damaged the credibility of the threat to go to war because most people came to recognize that such threats are inherently irrational.[42] This connection between credibility and rationality can be found in many areas, including both the strategic and game-theoretic literature, where "the credibility of threats is generally taken to be synonymous with subgame perfectness of Nash equilibria."[43]

Credibility is not always easy to establish, however, even for powerful states such as Communist China, because factors that extend beyond the obvious may make using force less likely in some situations. Tunander describes a credibility paradox in that it must be "possible to wage war at varying but clearly defined levels," yet at the same time, those levels must be "sufficiently indeterminate and hazy for the escalation process to have a deterrent effect, that

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40. Zagare and Kilgour, "Credibility, Uncertainty, and Deterrence," 306.
41. Thomas Schelling, *Arms and Influence* (New Haven: Yale University Press, 1966), 36.
42. Richard Lebow, *Between Peace and War: The Nature of International Crisis* (Baltimore: Johns Hopkins University Press, 1981), 15.
43. Zagare and Kilgour, "Credibility, Uncertainty, and Deterrence," 306-7.

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is, to exclude the possibility of such a war."[44] This may create an inherently dangerous situation, however, because miscalculations can ultimately lead to a game-theoretic "Chicken" situation, described below, wherein states may ultimately choose a bad option in order to "save face."

Whereas prisoner's dilemma depicts a situation in which neither party wants conflict, yet neither *trusts* the other, Chicken depicts a situation where "one party *willfully creates* a conflict by challenging the other and threatening to *destroy* an already enjoyed common interest if it does not get its way in the conflict."[45] Chicken is, at its core, a test of will. A common example involves two actors who are driving toward each other at high speed and who each have the option of swerving (S) or not swerving (N). If both swerve (SS), then nothing is lost, but nothing is gained, either—the results of neither actor swerving (NN), however, are catastrophic. Holding out for as long as possible before swerving will force each player to assess the rationality of the other; the one who swerves first is the "chicken," and will lose face, while the other player will gain prestige.

Chicken also differs from prisoner's dilemma in that the credibility of one's opponent is partially dependent on one's own valuation of the stakes at risk and one's own assessment of the costs of mutual defection. As Freedman illustrates, each player can manipulate the perceptions of the other as to his own degree of rationality or to the limits of his options: he could pretend to be drunk or

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44. Ola Tunander, "The Logic of Deterrence" *Journal of Peace Research* 26, no. 4 (November 1989): 355.

45. Snyder, "'Prisoner's Dilemma' and 'Chicken'," 68. Also see Herman Kahn, *Thinking About the Unthinkable* (London: Weidenfield and Nicolson, 1962), 45.

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extremely angry; he could throw his steering wheel out the window or appear to dismantle his own brakes; or take some other action to convince his opponent he had no choice but to go straight ahead.[46] By tricking his opponent into thinking he might not swerve (N), he "ups the ante" of a mutual defection (NN), thereby increasing the possibility of his opponent swerving first. In such a situation, one would not want to be faced with a truly irrational opponent whose threats would appear highly credible, for such a situation would prove impossible to manipulate—especially in the context of the Strait.

MILITARY CAPABILITIES IN THE STRAIT

Military power is a substantial element of a state's deterrent posture. After 1949, both Communist and Nationalist China relied on ever-growing levels of military force with which to balance the other, with the Nationalists relying on U.S. forces as a proxy and with Communist China relying on the Soviet Union for military supplies.[47] Without this power, therefore, the threat of force may be negated along with the ability to persuade.

Kartsen, Howell, and Allen emphasize the role of power in a state's ability to achieve its goals within the international system, arguing that both direct and indirect threats of the potential use of force are inherent features of international systems populated by states with substantial military capabilities. In an indirect

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46. Freedman, *The Evolution of Nuclear Strategy,* 188.

47. While recognizing the role of nuclear weapons, this section focuses on conventional military capabilities because, for the purposes of this dissertation, the fundamental principles of deterrence remain the same in their absence.

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threat environment, they posit, the basis for obtaining a diplomatic objective is not to achieve the actual defeat of an opposing military force, but rather to communicate the proposed or potential damage that one state's armed forces could inflict on another actor. They argue that "an effective military system gives a nation the constant potential to formulate precise direct threats or actually employ violence [that] remains indirect or unspecified.[48]

The effect of military capabilities on deterrence has been widely recognized within the realm of international security. Betts further qualifies these observations, noting that whether a state's "given capabilities deter, tempt, or provoke attack is highly dependent" on not only physical, but also "political factors—especially the nature of a potential attacker's motives and beliefs."[49] He also notes that in ambiguous situations, the greater the level of power one has available to reinforce deterrence, the more effectively it can be employed; by possessing the capability to inflict "awesome punishment," the risks are significantly magnified for the attacker. While not exclusive to nuclear powers, he argues, this deterrent is often widely considered in this context. Without nuclear weapons, however, he states that "extremely high confidence in conventional options, rather than uncertainty, would be necessary to provide the same degree of deterrence."[50]

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48. Peter Karsten, Peter D. Howell, and Artis Francis Allen, *Military Threats: A Systematic Historical Analysis of the Determinants of Success* (Westport: Greenwood Press, 1984), 3.

49. Richard K. Betts, "Conventional Deterrence: Predictive Uncertainty and Policy Confidence," *World Politics* 37, no 2 (January 1985): 154.

50. Ibid.

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Afheldt and Sonntag offer support for the deterrent effect of nuclear weapons, stating that "stable equilibrium on the level of strategic nuclear arms is the principle upon which military maintenance of peace through deterrence is based."[51] While this dissertation recognizes such weapons' historical role in security, it does not place such emphasis on the nuclear factor. Looking back at the crises in the Strait gives reason to doubt the credibility of America's nuclear deterrent, but American resolve at the time of the crises most likely appeared more credible that it does in hindsight.

The quality and quantity of conventional military technology an actor possesses can play a crucial role in one's deterrent strategy, but some technologies are more capable than others of supporting an effective threat. Hermann notes that the various characteristics of weapons systems have long had an impact on the decision-making processes by which policymakers decide on their use or nonuse. As an example, he noted that "the shift from liquid fuel rockets, which may take hours to prepare, to solid fuel rockets, which are ready for almost immediate launch, may force a different set of decision requirements on policy makers."[52] Likewise, other advances in military technology not yet conceived of might, one day, present similar problems.

Deterrence assumes that adversaries are most likely to resort to force or military threats when they perceive the military balance to be in their favor and

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51. Horst Afheldt and Phillip Sonntag, "Stability and Deterrence through Strategic Nuclear Arms," *Journal of Peace Research* 10, no. 3 (1973): 245.

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when they question the defender's resolve.[53] For all their potential, however, military capabilities do not provide a deterrent in-and-of themselves without the potential to commit them to use. As George and Smoke argue, "the requirements for implementing deterrence are much less a matter of acquiring, proving possession of, or using raw military capabilities than a matter of demonstrating concern, motivation, and commitment."[54] Thus, it is not the possession of, for example, nuclear weapons, but rather the potential for the actor in possession of such weapons to utilize them in a given situation. As the cliché goes, "guns don't kill people; people kill people."

Capabilities factor into a number of elements of a state's deterrent power. A strong military can be an effective psychological force in getting other states to comply with one's wishes, and can also support a state's credibility. But without adequate military capabilities, deterrence will fall short unless replaced by a significant degree of influence in other areas, such as economic or political power. But few states probably possess these alternative elements in sufficient levels to forego a strong military. And when considering military capabilities, the degree to which a state will consider another actor to be a threat will depend largely upon whether it views that actor in absolute or relative terms. The state that focuses on relative gains will be more likely to perceive a threat than will

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52. Charles F. Hermann, "Trends Toward Crisis Instability: Increasing the Danger of Nuclear War," quoted in Cimbala, Stephen, ed., *Challenges to Deterrence: Resources, Technology, and Policy* (New York: Praeger, 1987), 70.

53. Lebow and Stein, "Deterrence and the Cold War," 161.

54. Alexander George and Richard Smoke, *Deterrence in American Foreign Policy* (New York: Columbia University Press, 1974), 52. Also see Huth and Russett, "What Makes Deterrence Work," 502.

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those that focus on absolute gains. This can be a significant factor in understanding a state's security perspectives and concerns.

Shambaugh illustrates the role of military capabilities in the Strait, stating "Taiwan knows no threat to its national security except for that from China, and thus there exists a direct relationship between Taipei's cross-Strait and external policies and its defensive security."[55] As such, military capabilities cannot be discounted, but should be viewed in perspective along with other factors. Whether these capabilities are viewed independently or in relation to an adversaries' can make a significant difference on one's perspective.

ABSOLUTE AND RELATIVE GAINS IN MILITARY CAPABILITIES

As described above, a state's military capabilities—as well as those of its adversaries—can have a profound effect on its own security perspective and may involve very different perceptions, depending upon how one views its own position in the international system. As Mearsheimer posits, a state that focuses on absolute gains is primarily concerned about its own benefit and cares little about how much other states gain or lose; but a state that focuses on relative gains will be more concerned that they "do better, or at least no worse, than the other side."[56] And conventional deterrence can consider capabilities in three

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55. David Shambaugh, "Exploring the Complexities of Contemporary Taiwan," *The China Quarterly*, no. 148 (December 1996): 1051.

56. John Mearsheimer, "The False Promise of International Institutions," *International Security* 19, no. 3 (Winter 1994–95): 12-13.

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ways: numerical forces, the nature of weaponry, or how forces are employed to achieve the desired objective.[57]

Snidal points out that whenever states care primarily about winning rather than doing well, international politics will operate in an arena of relative gains. He notes, however, that "no sophisticated view" sees states as seeking *only* relative or absolute gains; rather, the pursuit of relative gains can be viewed as "bargaining chips" in a short-term strategy of inducing other states to cooperate in seeking long-term absolute gains.[58] The issue is important to security studies because, as Greico, Powell, and Snidal argue, in an anarchical international system, "states cannot be certain how [other] states that are friendly in the present will choose to act in the future."[59]

Likewise, they contend that when considering the rationality of war, what seems rational at one moment may not appear so at another time, and that even if states conclude that the costs of war outweigh the benefits, they cannot be sure that other states share the same "cost-benefit analysis of the efficacy of force." Even if all actors currently reject the efficacy of force, they argue, one cannot be certain that future circumstances will not shift some state's perspectives to accept the cost-benefit ratio of force in the future: Because the consequences of adopting the wrong position could have disastrous

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57. John Mearsheimer, *Conventional Deterrence* (Ithaca: Cornell University Press, 1983), 203.

58. Duncan Snidal, "International Cooperation among Relative Gains Maximizers," *International Studies Quarterly* 35, no. 4 (December 1991): 388.

59. Joseph Grieco, Robert Powell, and Duncan Snidal, "The Relative Gains Problem for International Cooperation," *American Political Science Review* 87, no. 3 (September 1993): 733-34.

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consequences, "states are likely to approach these matters as extremely risk-averse actors."[60]

A state's strategic environment can have a direct impact on the degree of its concern for relative gains. This relationship means that the concern for relative gains is part of the outcome, not part of the explanation; an effect, rather than a cause. As Powell notes, the causes for both cooperation and concern for relative gains are therefore underlying features of the states' strategic environment that jointly induce a concern for relative gains and thereby make cooperation difficult.[61] Similarly, he argues, future costs for a present lack of cooperation can also be a factor in determining whether a state will choose relative or absolute gains, and this "shadow of the future" may be large enough that immediate gains may be curtailed by the potential for future repercussions. Considering this shadow, the cost-benefit analysis may even cause nationalistic or egotistic states to cooperate with one another.[62]

The differences between absolute and relative gains illustrate the various perspectives states may possess regarding their own or their adversary's military capabilities, and may highlight the effects they may have on the stability of a region. Expressed in this way, one may more easily understand how such capabilities can create increased tensions between actual or potential adversaries; regardless of whether such tensions are intentional or accidental.

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60. Ibid.

61. Robert Powell, "Anarchy in International Relations Theory: The Neorealist-Neoliberal Debate," *International Organization* 48, no. 2 (spring 1994): 337.

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Shambaugh argues that the total balance of forces and order-of-battle between the PLA and Taiwan's armed forces may not be a very useful measure of Taiwan's security. This is due to Taiwan's qualitative superiority in weapons systems and the general readiness of its troops, as well as the fact that, short of an all-out attack, the PLA is generally not thought to possess sufficient capability to subdue Taiwan quickly. The possibility of American intervention in any given scenario must also be taken seriously, however, particularly if the United States were to determine that a PRC attack on Taiwan was unprovoked.[63]

CRITICISMS OF TRADITIONAL DETERRENCE

While many approaches to deterrence theory exist, this research supports Williams' and Hawkins' argument that "no formalized theory of general deterrence is universally accepted as complete and definitive."[64] Deterrence theory must not be considered the ultimate factor in formulating a security strategy. Rather, as George and Smoke argue, it should be "regarded as, at best, an aid to devising deterrence strategies." In their view, the most relevant and responsible role for deterrence in policy-making is its diagnostic function, rather than its prescriptive power. That is to say, "its assistance to [policymakers is most useful] in assessing the configuration of a situation in which some kind of

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62. Robert Powell, "Absolute and Relative Gains in International Relations Theory," *American Political Science Review* 85, no. 4 (December, 1991): 1306.

63. David Shambaugh, "Taiwan's Security: Maintaining Deterrence amid Political Accountability," *The China Quarterly*, no. 148 (December 1996): 1303-04.

64. Kirk Williams and Richard Hawkins, "Perceptual Research on General Deterrence: A Critical Review," *Law & Society Review* 20, no. 4 (1986): 546.

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challenge to deterrence may occur."[65] They emphasize that deterrence theory *per se* does not provide sufficient criteria to indicate when a deterrence policy should be applied in foreign policy. Viewed within the broader context of foreign policy, they argue, deterrence theory is best understood as a contingent policy theory: "Deterrence strategy, in other words, must be viewed as only one of a number of different instruments of foreign policy."[66] And according to Buzan, even experts from NATO posit that deterrence has to be constantly adapted to new political and technological needs, and that one "should not be satisfied forever with a system of deterrence that is too heavily dependent on the residual possibility of catastrophic destruction."[67]

A major criticism of deterrence focuses on the problem of establishing indicators of the intention to attack. Lebow and Stein argue that, without an actor clearly stating such intentions, a defender must rely on its interpretation of "multiple streams of evidence interpreted in context."[68] They argue that the movement or redeployment of military forces, for example, may be a principal indicator of the intention to attack, but such deployments can be for a wide range of other purposes as well. Hence, a problem with testing deterrence theory lies in operationalizing the central theoretical concepts of "challenger" and "defender,"

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65. Alexander George and Richard Smoke, "Deterrence and Foreign Policy," *World Politics* 41, no. 2 (January 1989): 180.

66. Ibid., 181.

67. Barry Buzan, ed., *The International Politics of Deterrence* (New York: St. Martin's Press, 1987), 191.

68. Lebow and Stein, "Deterrence: The Elusive Dependent Variable," 342-47.

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which also depends on a presumption of the participants' intentions. Such designations may ultimately reveal themselves to be incorrect, however.

This section illustrated that deterrence encompasses many factors that may apply differently at various points in time. In any situation where adversaries have less than perfect information about one another, miscalculations as to the planned success of any particular approach are probably unavoidable. But the general concepts behind deterrence continue to work for the majority of strategic, operational, and tactical decisions that policymakers face on a recurring basis. One can argue, therefore, that despite its flaws, deterrence is likely to continue maintaining its imperfect applicability in an imperfect world.

FOUNDATIONS OF PIVOTAL DETERRENCE: ORIGINAL AND HOLISTIC

Based upon many of the concepts described above, this research uses an approach that is distinct from, but modeled on, pivotal deterrence as presented by Crawford. Pivotal deterrence describes a situation where a defender (D) simultaneously deters two aggressors (A1) and (A2) from attacking each other, but also dissuades either from *provoking an attack* by the other. The primary factor in Crawford's model is military power and its effect on other actors, such as states. While some may initially categorize this situation as "dual extended deterrence," Crawford's model incorporates some specific, unique attributes that alternative descriptions do not adequately address. These are described in greater detail below.

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Pivotal vs. Dual Extended Deterrence

Before continuing with this section, it is important to differentiate between extended and pivotal deterrence. Pivotal deterrence is distinct from the conventional theory of "extended deterrence," which is often used to explain third-party security relationships. Recognizing that many aspects of the two approaches tend to overlap, however, this research identifies extended deterrence as employing clearly defined boundaries and consequences. As noted in the previous chapter, one of pivotal deterrence's key factors and fundamental principles is that it emphasizes the role of ambiguity; a critical element in maintaining stability and understanding the explanatory value of its application to U.S. security policy. This research presents these conditions described above with the understanding that alternative academic and policy perspectives may ultimately disagree with their implications, and that these conditions may present theoretical limitations in other venues outside the Strait.

In contrast to many mainstream theories of deterrence, pivotal deterrence embraces ambiguity in influencing the decision-making process of aggressor states. It must assure adversaries that they can safely disarm, and must also sufficiently deter them from attacking each other. Similar to other approaches, pivotal deterrence is used in both the general and immediate contexts.[69] As mentioned above, general deterrence refers to long-term maintenance of a deterrent posture, whereas immediate deterrence is implemented to address an emerging threat.

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While extended deterrence typically involves a more traditional role of "balancer" wherein the third party uses threats to keep aggressors in check, pivotal deterrence is somewhat different, in that its design is such that the pivot's proclivity for support or threat can be more readily shifted toward, withheld, or diverted to another. In this sense, the pivot's balancing options remain somewhat open to question throughout the deterrent process.

Huth and Russett posit that, in immediate extended deterrence (either through explicit verbal threats and counterthreats or by the overt movement or alerting of military forces, by both the potential attacker and the state assuming the role of defender), "the long-term balance of forces and the defender's possession of nuclear weapons make little difference."[70] The defender is more likely to fight when the short-term balance of forces favors it, when it is bound to the third party by alliance ties or geographic proximity, and when it has followed a firm-but-flexible bargaining strategy during the crisis.[71] They argue, for example, that "the power of nuclear weapons is so disproportionate that a normative restraint has come to apply, especially if the defender possesses immediate or short-term military superiority."[72]

Because a plethora of articles, books, and papers on mainstream deterrence theories have been widely researched, discussed, and published, literary resources are abundant. But since pivotal deterrence itself is a relatively

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69. For a full description of pivotal deterrence, see Crawford, *Pivotal Deterrence*.

70. Paul Huth and Bruce Russett, "Deterrence Failure and Crisis Escalation," *International Studies Quarterly* 32, no. 1 (March 1988): 30.

71. Ibid., 29.

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new approach, few people other than Crawford have written about it.[73] Probably the closest approach to pivotal deterrence is "dual deterrence," which also supports a somewhat ambiguous approach to U.S. policy in the Strait against two adversaries, but does not explicitly identify the same key features: the moral hazard, alignment options, interests, and benefits—all of which are discussed in greater detail further below. Jervis asserts that "the nub of this 'dual deterrence' is that 'complex, conditional threats and promises' are much harder 'to make credible' than the typically one-sided threats of extended deterrence."[74] Additionally, because the China-Taiwan issue is one of the predominant contemporary security relationships utilizing such an approach, the region is a prime subject for its application.

In mainstream extended deterrence models, a defender tries to create widespread *certainty* about its future behavior; thereby surrendering freedom of action, staking its reputation on public threats and promises, and closely coordinating war plans with allies. Conversely, in pivotal deterrence, the pivot is better off maintaining some uncertainty about its future behavior. Crawford notes that "maintaining freedom of action and keeping leverage over both sides is the goal; avoiding public commitments—and when they are necessary, making them as ambiguous and vague as possible—is the key objective. This basic difference

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72. Ibid., 35.

73. This was the topic of Crawford's doctoral dissertation at Columbia University in 2001.

74. Robert Jervis, "What Do We Want to Deter and How do We Do It?" quoted in L. Benjamin Ederington and Michael J. Mazarr, *Turning Point: The Gulf War and U.S. Military Strategy* (Boulder: Westview, 1994), 122-124.

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between the two carries implications for the timing, clarity, and publicity of commitments."[75]

Extended deterrence generally is most effective when a defender makes early commitments to a protégé (the protectee), because waiting too long may result in the aggressor state becoming politically committed to the exact action that was meant to be deterred. Even worse, if a crisis has already broken out, the defender's deterrent threat may be even more destabilizing than if it were made beforehand. And by committing early, the defender can coordinate war plans with the protégé before the crisis erupts, significantly improving their chances of success and also sending a strong signal to the aggressor. A pivotal deterrence approach, in contrast, does quite the opposite. It avoids making firm commitments to either side, but if it must, it will try to delay making that commitment as long as possible.

Naturally, as Crawford points out, since getting involved in any third-party conflict can be politically costly, avoiding commitment is often a desirable approach. But getting involved can also translate into additional leverage over the involved states by "playing hard to get."[76] Under the strategy of dual deterrence, as Yung-Ming Yang notes, "Washington always tries to remind both Taiwan and China that peace is the key U.S. interest in the Strait and the region." Under this condition, he posits, "Taiwan cannot assume that the [United States] "will defend it under any and all circumstances, nor can China assume that the

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75. Crawford, *Pivotal Deterrence*, 10.
76. Ibid., 10-11.

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[United States] will not be involved should [China] decide to attack Taiwan."[77] This holds true for pivotal deterrence, as well. And finally, by avoiding commitments in the early stages of a crisis, the pivot may be better positioned to negotiate effectively with the aggressor that it would be facing during a conflict.

During the 1958 crisis, for example, President Eisenhower refused to quickly specify how U.S. forces would be used to prevent Communist China from taking the islands of Quemoy and Matsu, where the Nationalist army had positioned many of its troops, stating "you simply cannot make military decisions until the event reaches you."[78] While this statement is inconsistent with the decisive signaling logic of extended deterrence, it seems to make perfect sense for the model of pivotal deterrence. This is because many now understand that Eisenhower sought to control the Nationalists' ambitions while at the same time attempting to negotiate with the Communists for a compromise.

Criticisms of Pivotal Deterrence

Because, as previously noted, little has been written specifically about pivotal deterrence models, this author discussed some of its potential criticisms with the model's founder, Timothy Crawford.[79] One of the strongest criticisms Crawford received, not unlike many other aspects of deterrence theory, is based on the

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77. Phillip Yung-Ming Yang, "Doubly Dualistic Dilemma: U.S. Strategies Towards China and Taiwan," (Paper presented at the Peace Forum International Conference, The Westin Taipei, Taiwan, 23 May 2004), 15.

78. Dwight D. Eisenhower, "The President's News Conference of August 27th, 1958," 27 August 1958, http://www.presidency.ucsb.edu/ws/index.php?pid=11188&st=&st1= (accessed 18 December 2004).

79. Timothy Crawford, telephone conversation with author, 28 December 2004.

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subjective interpretations and perceptions assumed for its application; e.g., whether interests are vital or secondary may depend on the context in which they are discussed. Such assumptions are inherently troublesome, yet remain essential to making theories such as pivotal deterrence useful. This criticism can be somewhat mitigated through studies that help to provide clarity as to what constitutes "vital, extremely important, important, and secondary interests," such as the Commission on America's National Interest's report from July 2000.[80]

The strategic concept of pivotal and dual deterrence maintains its share of critics and skeptics who generally criticize its ambiguous aspects. One argument Zhu Liqun presents is that the U.S. dual deterrence policy merits doubt and "is also to a certain extent dangerous: if it is ineffective, it will trigger a great risk."[81] Similarly, Pan Zohngqi argues that the lack of clarity may lead to a zero-sum security dilemma where China views even defensive gains by Taiwan as a threat, and where dual deterrence invariably leads to an arms race across the Strait.[82]

The argument for clarity is not without its supporters, many of whom argue that maintaining ambiguity is dangerous and irresponsible. Shulsky posits that, despite its advantages, ambiguity seems to be a poor long-term policy for

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80. The Commission on America's National Interests, "America's National Interests," July 2000, http://www.nixoncenter.org/publications/monographs /nationalinterests.pdf (accessed 4 January 2005).

81. Zhu Liqun, quoted in "China Roundup: Beijing's 'Tense' Relations with Taiwan and Hong Kong," 2 June 2004, U.S. Department of State, Office of Research, http://www.globalsecurity.org/wmd/library/news/china/2004/wwwh40602.htm (accessed 17 January 2005).

82. Pan Zhongqi, "The Dilemma of Deterrence: U.S. Strategic Ambiguity Policy and its Implications for the Taiwan Strait," Research paper, The Henry L. Stimpson Center (April 2004): 18, 21.

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deterring Chinese use of force against Taiwan.[83] And Nye argues that the United States should abandon ambiguity and clarify its policy on Taiwan, stating that "if Washington leaves these ambiguities in place ... it may court disaster,"[84] citing the growing uncertainty that came with Taiwan's growing democracy. While one can never be certain how such a calculated gamble may turn out, history suggests that ambiguity can play an important role in foreign policy.

Another drawback to a policy of ambiguity, as Nathan notes, is that policymakers themselves may become confused as to where they should draw the line in stating their official positions or in how to approach sensitive issues.[85] In adjusting its level of threat to either aggressor, Nathan argues, the deterring state risks "opening up room for adventurist actions by the other."[86] With this in mind, Washington must ensure that neither aggressor misunderstands nor misperceives its real intentions. Also arguing against ambiguity, Bush states that one aggressor must present a credible threat to deter another aggressor, but not to the point of appearing fundamentally hostile. While at the same time, it must take care not to lead the other aggressor to feel abandoned.[87]

Further arguing against the foundations of pivotal deterrence, Pan Zhongqi states that by attempting to maintain the status quo across the Strait,

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83. Abram N. Shulsky, *Deterrence Theory and Chinese Behavior* (Santa Barbara: RAND, 2000), 48.

84. Joseph Nye, "A Taiwan Deal," *Washington Post,* 8 March 1998, C7.

85. Andrew Nathan, "What's Wrong with American Taiwan Policy," *The Washington Quarterly* 23, no. 2 (Spring 2000): 98.

86. Ibid., 102.

87. Richard Bush, "The Ordeal of Dual Deterrence: The United States Between Taiwan and China," (Paper presented at a conference on the military balance and

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strategic ambiguity becomes dangerous, self-contradicting, and "incompatible with its stated policy goals."[88] Similarly, Benson argues that such a policy risks increased nationalism by China and/or Taiwan, and that, because Taiwan relies on the United States for the majority of its arms, the growing military imbalance will gradually reduce the costs of Chinese aggression.[89] But while these concerns should not be taken lightly, one could mitigate their effects through careful analysis of all available factors prior to applying deliberate ambiguity in any approach to security policy.

KEY ASSUMPTIONS AND LIMITATIONS

This research adopts several key assumptions about the actors in the security relationship. The first is that other outside actors that are not part of the aggressors' alignment options would not inject themselves into the relationship. That is to say that in no instances would another actor unilaterally get involved solely as a counterbalance to the pivot without directly supporting one aggressor or the other. Second, where benefits are involved, as in (H_4), the aggressor must be assumed to be at least somewhat rational and pragmatic in its decisionmaking.

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decision making across the Taiwan Strait, St. Anthony's College, Oxford University, United Kingdom, 27-28 February 2004), 7.

88. Pan Zhongqi, "The Dilemma of Deterrence," 37.

89. Brett V. Benson and Emerson M.S. Niou, "Comprehending Strategic Ambiguity: U.S. Security Commitment to Taiwan," (Working paper, Duke University, 12 November 2001), http://www.duke.edu/~niou/teaching/strategic%20ambiguity.pdf (accessed 9 November 2006).

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Additionally, the analysis only considers what is known about the perceptions and capabilities of the actors at the time. That is to say that, for example, the research only considers the known capabilities of the PRC amphibious forces, regardless of whether it may have had greater or lesser capabilities than was known at the time. The majority of this research uses generally accepted beliefs about China and Taiwan in these respects as the basis of analysis.

Unfortunately, since much remains unknown about China and Taiwan during the periods under study, primary documents are relatively limited. Therefore, secondary documents served as a major source of data for the research. This analysis of pivotal deterrence in the Strait is based on the data as it is presented in the sources, but recognizes its inherent weaknesses, such as biases and translation flaws. It therefore also considers general assessments on other factors—such as personalities, military capabilities, public statements, and overt and surreptitious activities—in the overall analysis.

SUMMARY

This chapter presented the theoretical framework for the dissertation, which is based, and builds, upon Crawford's model of pivotal deterrence. By comparing the new model to traditional deterrence approaches and to Crawford's model, this chapter illustrated the unique qualities of holistic pivotal deterrence while it maintained that there are similarities to many more traditional approaches. It illustrated three specific scenarios in which a pivotal deterrence

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model could affect two aggressor states, and identified the key assumptions and limitations for the research; recognizing that no model is without flaws.

Holistic pivotal deterrence, while an imperfect model for approaching the issue of deterrence, nevertheless remains a valuable perspective for those who must weigh their options in making decisions regarding third-party interventions. It provides a much-needed argument and perspective for promoting ambiguity in security policies. As the area of security studies requires a broad understanding of the various approaches to any particular problem, pivotal deterrence models help broaden one's selection of "tools in the toolbox."

The history of the trilateral relationship in the Taiwan Strait specifically embodies many of the prerequisite conditions for pivotal deterrence, and the following chapters in this dissertation address and test these conditions against the holistic pivotal deterrence model. In doing so, this research qualifies the hypotheses presented in Chapter II, to provide its own contribution to deterrence theory, upon which others may continue similar research.

The next chapter reviews the literature on the United States-China-Taiwan relationship and the development of strategic relations in the region—primarily from 1949 through the mid-1990s. It covers the origins of the controversy over Taiwan's status and the shift in power; as well as the diplomatic, economic, military, and social developments that helped shape trilateral relations over the years. This presents the reader with an understanding of the complex dynamics at work, and will concludes with an assessment of what this research adds to the existing literature.

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CHAPTER IV

LITERATURE REVIEW

Whereas the previous chapter discussed the deterrence literature in the context of developing and supporting the research methodology, this chapter discusses the development and adaptation of the trilateral relationship between the United States, China, and Taiwan. It provides a review of the literature explaining the basis for U.S. security policy in the region: how it is perceived in the context of international security, discussing developments in the relationship throughout the second half of the 20th century, illustrating the shifting U.S. strategic relations in the Strait, and examining the military balance. Finally, it addresses gaps in the relevant China-Taiwan-United States literature, and explains the contribution this research makes to the study and understanding of pivotal deterrence as it applies to the Strait and elsewhere.

THE UNITED STATES-CHINA-TAIWAN LITERATURE

In reviewing the literature directly discussing relations between the United States, China, and Taiwan, it quickly becomes evident that there are many positions on, and factors in, the various aspects of the trilateral relationship. These include domestic political factors, military capabilities, and the lack of cooperation or coordination between various levels of government. These factors are discussed in more detail below.

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The Legal Basis for Claims to Taiwan

Any argument for or against the legitimate right to Chinese sovereignty must start with an understanding of the historical background. Bush notes that President Roosevelt—largely based upon the charms and persuasion of Chiang Kai-shek's wife, Madame Chiang, who conveyed her husband's desires in an early 1943 trip to Washington—"came to his conclusion on the island's fate," and together with Churchill and Stalin, agreed that the ROC should have control of Formosa.[1] But Arora writes that, after the CPP overthrew the KMT, Mao Zedong declared victory and enacted "the organic law, popularly known as the *Organic Programme*, of the New Republic," which "dealt with the foreign policy of the new Government."[2] Within the span of about one year, Beijing "had received *de jure* recognition from several states," including the Soviet Union, thereby establishing its position in the international community.[3] While this was considered a legitimate action and basis for the Communist's sovereignty over China, the United States did not immediately agree.

Japan surrendered sovereignty over Taiwan, the Pescadores, and arguably the Diaoyu Islands as a condition of the 1951 San Francisco Peace Treaty, but Charney and Prescott note that China was not a party to the treaty, and also point out that the treaty "did not specifically identify the entity that was to

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1. Bush, *At Cross Purposes*, 37-38.
2. R.S. Arora, *Ambassadors Exchanged after Thirty Years: Sino-American Relations 1940-1979* (New Delhi: The Institute for the Study of International Relations, 1980), 10.
3. Ibid., 11.

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inherit Taiwan." They argue that none of the post-World War II treaties explicitly ceded sovereignty to any specific state or government,[4] but that

> by 1952, the PRC's governmental authority over historical China certainly existed *de facto*, if not yet *de jure* [italics added]. This authority derived from the military victory and effective territorial control by the PRC, as well as its continuous existence subsequently, its recognition as the government to which the Chinese seat at the United Nations is accredited, and its recognition by the vast majority of states. Today a non-state entity may hold territory in opposition to the state with sovereignty over that territory, and the population of a territory may have rights of self-determination that deny the sovereign state the unqualified authority to control that territory and its population. Clearly, Taiwan is independent of China, having achieved economic and governmental autonomy despite Beijing's efforts to the contrary. Traditionally, only states could have sovereignty over territory or rights under international law. This state-centered approach, however, has eroded. Specifically, the use of the word "peoples" in describing those entities entitled to the right of self-determination has proved to be a notable challenge to the traditional state-centered framework.[5]

The proper domain of international law concerns "the relationships *between* states and not domestic affairs *within* states, such as the relationship of a state to its nationals. In this light, even when the international community recognizes a right of self-determination, it does not appear to support a general right to secession.[6]

Nations generally consist of a population that identifies itself as sharing an identity. Lee-Jay Cho notes that mainland China's population by the early 1980s numbered over 1 billion—"almost double the 1949 figure of 542 million"—

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4. Jonathan I. Charney and J.R.V. Prescott, "Resolving Cross-Strait Relations between China and Taiwan," *The American Journal of International Law* 94, no. 3 (July 2000): 458-59.

5. Ibid., 465-66.

6. Ibid., 467.

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suggesting that the Mainlanders probably had a clear idea of who they were.[7] Charney and Prescott argue that the issue of whether the population of Taiwan constitutes a "people" that may claim a right of self-determination is not only undefined, but may be irrelevant because newcomers to the island make up only 15 percent of the population, and that the roots of the island of the remaining 85 percent had been established before 1985.[8] This does not necessarily account for the generations of Taiwanese who have no direct link to the Mainland, however.

POLITICAL FACTORS AND PERSPECTIVES

Much of the relevant literature highlights the vast differences between Chinese and American perspectives on international relations and foreign policy. Vogel, for example, notes that the Chinese are less responsive to democratic processes and are more concerned with coherent long-range strategies than are Americans, and therefore tend to believe that other countries' policies also have a similar cohesiveness—suggesting that the Chinese do not seem to understand the influence of public opinion on U.S. governmental policy.[9]

Clough posits that immediately following WWII, "Americans viewed Taiwan as a small, distant island ... that would as a matter of course be taken

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7. Lee-Jay Cho, "Population Dynamics and Policy in the People's Republic of China," *Annals of the American Academy of Political and Social Science* 476 (November 1984), 112.

8. Charney and Prescott, "Resolving Cross-Strait Relations," 473.

9. Ezra Vogel, ed., *Living with China: U.S.-China Relations in the Twenty-First Century* (New York: Norton W.W. & Co., Inc., 1997), 170.

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from Japan and returned to China," and held no real interest in it.[10] Similarly, Jacobs argues that "before 1945, the Chinese Communists did not devote much attention to Taiwan."[11] But by 1949, Huebner notes, China had created a persistent propaganda theme purporting that the United States' interest in Taiwan was only to secure it as a sphere of influence in the region, regardless of the outcome on the Mainland.[12] He also notes that—both before and after the start of the Korean War—the CPP's proclaimed goal of liberating Taiwan was unequivocal, but was more a declaration of principle that did not signal rash military action. "Even before the United States intervened in the Taiwan [Strait] the new [CPP] regime most probably saw the actual extension of its rule to Taiwan as being a relatively long-range objective."[13]

Chiang and He Di note that Mao Zedong lost to ROC forces on Quemoy in 1949, but wanted to reclaim face by taking the Dachens. Mao deliberately restrained his local commanders, however, ordering them to avoid military clashes with, and strictly instructing them not to provoke, U.S. military forces and to guard against starting even accidental conflicts.[14] "Please note," Mao stated, "only after verifying that there are no U.S. ships or planes present can we launch

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10. Ralph N. Clough, "U.S. Policy Toward Evolving Taiwan-Mainland China Relations," chap. 5 in J.W. Wheeler, ed., *Chinese Divide: Evolving Relations Between Taiwan and Mainland China* (Indianapolis: Hudson Institute, 1996), 103.

11. J. Bruce Jacobs, "Political Opposition and Taiwan's Political Future," *The Australian Journal of Chinese Affairs*, no. 6 (July 1981): 22.

12. Jon W. Huebner, "The Abortive Liberation of Taiwan," *The China Quarterly*, no. 10 (June 1987): 259.

13. Ibid., 274.

14. Gordon Chang and He Di, "The Absence of War in the U.S.-China Confrontation over Quemoy and Matsu in 1954-1955: Contingency, Luck, Deterrence?" *The American Historical Review* 98, no. 5 (December 1993): 1512.

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the attack on the Dachens. Otherwise, do not initiate any military action."[15] These statements reflect various complex elements of the political and military processes that China, Taiwan, and the United States faced on several occurrences.

While President Truman's decision to send the Seventh Fleet into the Strait probably prevented a Chinese attack on Taiwan, Tu Weiming asserts, it "perpetuated the confrontation between the two sides of the Strait."[16] Although the United States initially adopted a hands-off policy toward Taiwan after the KMT resettled in Taipei in 1949, King-yuh Chang argues, it was the only country to which Taiwan could turn for assistance.[17]

The First Crisis

Western perceptions of the 1954-55 crisis are based almost exclusively on U.S. documentary material and Western public sources, according to Chang and He Di, who argue that the West has only been able to infer the Chinese side of the story from Chinese-published materials and observed behavior, and has perceived China as a threat to regional stability; whereas the standard Chinese public account of events in the 1950s has characterized United States-China policy in the Strait as one of inflexible hostility, aggressiveness, and

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15. Mao Zedong, "Remarks on the Timing of the Attack on the Dachen Islands," 21 August 1954, *Jianguo Yilai, 1954*: 533, quoted in Chang and He Di, "The Absence of War," 1512.

16. Tu Weiming, "Cultural Identity and the Politics of Recognition in Contemporary Taiwan," *The China Quarterly*, no. 148 (December 1996): 1122.

17. King-yuh Chang, "Partnership in Transition: A Review of Recent Taipei-Washington Relations," *Asian Survey* 21, no. 6 (June 1981): 603.

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warmongering.[18] They also argue that Beijing's orders in 1954 to shell Quemoy was a specific and limited response to what Mao perceived as an increase in U.S. and Nationalist military provocations in the area, and that China intended only to defend the Strait against the West's attempt to divide it via a mutual defense treaty, which would play a role similar to that of Korea.[19]

Flemming attributes the 1954-55 crisis to three factors: (1) the "unleashing" of Chiang on 1 February 1953, (2) American determination to hold Formosa as a part of its far Pacific defense Chain, and (3) rising Chinese power.[20] He notes that, around March 1955, the United States was finding itself standing largely alone in its support for the Nationalists. Australia and Canada would not support a war over Quemoy and Matsu, Japan would not allow U.S. forces to use Japanese bases to attack China, and our European allies had long disavowed the idea of a war over the offshore islands; leaving only the Philippines and Thailand as possible allies.[21] He also notes that around this same time, Admiral Carney, Chief of Staff for the Navy, had advocated crushing Communist China in order to end its expansionist tendencies, but that the American public soon came to understand the war party's "teach Asia a lesson" campaign, and warned the Eisenhower administration against carrying a divided nation into an unjust war based on Quemoy and Matsu.[22]

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18. Chang and He Di, "The Absence of War," 1501.
19. Ibid., 1507-08.
20. D.F. Flemming, "Our Brink-of-War Diplomacy in the Formosa Strait," *The Western Political Quarterly* 9, no. 3 (September 1956): 535.
21. Ibid., 540.
22. Ibid., 543.

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Xiaobing Li, Xiaobo Hu, and Yang Zhong highlight the effects of domestic politics in U.S. foreign policy, noting that candidates' efforts to garner votes have contributed to the making of a "cyclical pattern" of United States-China relations. They argue that while U.S. politicians often adopt the popular position during an election—frequently amounting to China-bashing—these politicians quickly return to their long-term and strategic interests once in office, emphasizing U.S. national interests and facing China's growing role in Asia.[23] They also note, however, that the same pattern also holds true for politicians in Taiwan. And as Christensen further discusses, domestic politics often play a role in China, as well. Concerned about economic relations with Japan, Taiwan, and the United States, he argues that an attack against Taiwan would seriously jeopardize China's economy. As such, China's goals of economic growth and nationalism are often at odds with each other.[24]

While material elements of power are often misunderstood as motives that drive policymakers, Gries and Christensen argue that policymakers often overlook Chinese emotions as they "evolve in dynamic relationship with American actions."[25] Pointing out that America's interest in supporting Taiwan is fundamentally linked to the Wilsonian notion of the right to self-determination, they argue that China's position—that Taiwan is an internal affair and none of

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23. Xiaobing Li, Xiaobo Hu, and Yang Zhong, eds., *Interpreting U.S.-China-Taiwan Relations: China in the Post-Cold War Era* (Lanham: University Press of America, 1998), 54-61.

24. Thomas J. Christensen, "The Contemporary Security Dilemma: Deterring a Taiwan Conflict," *The Washington Quarterly* 25, no. 4. (Autumn 2002): 12.

25. Peter Gries and Thomas Christensen, "Power and Resolve in U.S. China Policy," *International Security* 26, no. 2 (Fall 2001): 165-157.

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America's business—should come as no surprise in matters such as this; Chinese sovereignty as a whole is at stake. This description illustrates the problem that arises from the typical U.S. belief that American values are universal and have international appeal.

According to Chang and He Di, Mao did not consider the shelling of Quemoy on 3 September 1954 as the beginning of the crisis. To Communist China, this was simply a continuation of tensions that had existed between the PLA and the KMT since 1949, and it was not until U.S. warships entered the Strait that some high-level Communist officials recognized the situation as a confrontation involving Western interests.[26] But through the lens of the Korean War, they posit, the Eisenhower administration viewed this as a failure of deterrence—especially since the Seventh Fleet had twice deployed to the Strait during the summer of 1954, quoting Dulles' statement that China would not dare "challenge [the United States] in any major or sustained way and provoke further our sea and air power along their coast."[27]

Sigal notes that the period prior to the 1954-55 Formosa crisis had not been free of U.S. threats to China's survival. While no clear signal of the United State's intentions was perceptible, he argues, neither was any U.S. effort to curb Chiang; that Washington might allow itself to become "embroiled" in a renewal of

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26. Chang and He Di, "The Absence of War," 1502-1504.
27. John Foster Dulles, quoted in Ibid., 1505.

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the civil war was not unimaginable. And if this were true, then any Nationalist move to counterattack would constitute a grave threat to Beijing.[28]

Gurtov notes the negative effect of the Formosa Resolution on Nationalist aggression, in that after the legislation was forced through Congress in January 1955, Chiang began a substantial buildup of military forces on Quemoy and Matsu, where nearly one-third of his ground troops were already deployed at the time the crisis started.[29] Washington did nothing to stop this buildup until the crisis had already begun, thereby blurring the lines between acquiescence and approval and supporting the perception in Beijing that the United States had not, in fact, "re-leashed" Chiang.[30] Gurtov argues that, with the completion of the Nationalist military buildup on the offshore islands, Chiang had artificially manufactured a strong link between the defense of the islands and the protection of Taiwan; if China responded by attacking the islands, U.S. forces would have to either defend them—and probably take the fight into the Mainland—or let them fall, and risk losing Taiwan. Ultimately, rather than attempting to reverse the Nationalist buildup, Washington had again condoned it, thereby falling even deeper into Taipei's web of dependence.[31]

The linkage between the United States and Taiwan, however, might not have been as definitive as they appeared. As Chang and He Di posit, Zhou Enlai stated at the Bandung Conference in April 1955 that "China distinguished the

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28. Sigal, "The 'Rational Policy' Model," 127.
29. Melvin Gurtov, "The Taiwan Strait Crisis Revisited: Politics and Foreign Policy in Chinese Motives," *Modern China* 2, no. 1 (January 1976), p 67-68.
30. Ibid., 61-62.

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conflict between the Mainland and Taiwan from that between China and the United States. Taiwan was an internal question and [was] linked to the Chinese civil war ... but the tension between China and the United States was an international matter, which China was willing to discuss with Washington."[32] This suggests that Beijing might have held a different perception of the trilateral relationship than did Washington and Taipei.

The Second Crisis

Sigal notes that Khrushchev in 1958 advised the Eisenhower administration that the Soviet Union would defend China against an attack on its Mainland—equating an attack on the PRC with an attack on the U.S.S.R.—and that the Soviets would do everything to defend peace; but Khrushchev did not specifically address the Nationalists on Taiwan or infer Soviet backing for a Communist Chinese assault against Formosa, thereby supporting a level of ambiguity in its own China policy.[33] And Kwan Ha Yim notes that the administration rejected Khrushchev's communication, quoting a White House statement that "it is tragic that Soviet military despotism should support the use of force to achieve expansionist ends."[34] A strain clearly was weighing upon the regional relationships.

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31. Ibid., 71.
32. Chang and He Di, "The Absence of War," 1520-21.
33. Sigal, "The 'Rational Policy' Model," 137.
34. Kwan Ha Yim, *China and the U.S. 1955-63* (New York: Facts on File, Inc, 1973), 99.

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Clubb attributes this second crisis to a 3,000-word memorandum that the U.S. State Department released on 9 August 1958, which publicly barred any change in United States-China policy and denounced any idea of a two-state solution. Communist China resumed its shelling of Quemoy from 25 August until 2 September—while consistently demanding the Nationalists' surrender. The United States responded again by sending the Seventh Fleet to the Strait, and the crisis was effectively over by October 1958. U.S. forces avoided direct engagement of the Communist forces during this crisis, and mainly helped with logistical support in protecting supplies being sent to the ROC forces on the offshore islands, through logistical support and supplies, leaving the Nationalists to defend the airspace against the PLAAF themselves.

Although the conflict demonstrated that the Nationalists' air power was a formidable match for the PRC's MIG fighters, Clubb argues, it also showed that, although the Nationalists worked well with American forces, they would have been unable to supply their offshore garrisons without U.S. support backing them up.[35] He also suggests that the Communists deliberately kept the United States involved in the Strait by reducing the shelling of Quemoy; continuing ceremoniously only on odd days, starting on 3 November 1958.

In doing this, Clubb argues, the PRC effectively denied compliance with the original American dictum that "before there could be disengagement from the

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35. O. Edmund Clubb, "Sino-American Relations and the Future of Formosa," *Political Science Quarterly* 80, no. 1 (March 1965): 6-7.

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offshore islands, there would have to be an effective cease-fire in the Strait."[36] He observes that while the legal issue of establishing "one China, one Taiwan" concept could work in theory, actually creating "two Chinas" has always been a non-starter in practice; when strategists linked Quemoy, Matsu, and the Pescadores to American Formosa policy in the joint American-Formosan communiqué of 1958, they established a serious roadblock to any two-state solution.[37]

Melvin Gurtov suggests that the 1958 crisis was neither manufactured nor stimulated by domestic concerns, but that Mao ordered the bombardment of the offshore islands in 1958 only because of American actions in Taiwan, elsewhere in Asia, and in the Middle East; that Mao actually sought international quiescence, and that he did not want a crisis in the Strait.[38] He notes that American "Matador" nuclear-capable missiles were deployed to Taiwan and that unarmed missiles were test-fired on 2 May 1958, with the assertion that they would be "used in retaliation for a Chinese Communist attack in the Strait area"—though it was not clear whether the nuclear warheads were physically in Taiwan or in Okinawa, Japan—and 8-inch atomic-capable howitzers were reportedly also moved to Taiwan, though the locations of these warheads were also unknown.[39]

Gurtov further asserts that China's first priority in 1958 was to "deflect a growing threat to [its] security at a time of rapid domestic change and military

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36. Ibid., 8.
37. Ibid., 17-18.
38. Gurtov, "The Taiwan Strait Crisis Revisited," 50.
39. Ibid., 74.

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weakness," and that Mao's series of limited attacks on the offshore islands was his way of "bringing the Americans to their senses about their ally on Taiwan."[40] He states that the 1958 crisis made Mao well-aware of Soviet unreliability as well as U.S. strength and aggressiveness: it "had the twin effects of clarifying the nature of both the number one enemy and the number one friend," it showed that China could conduct crisis diplomacy independently of the U.S.S.R., it taught Mao that "China would have to be as self-reliant internationally as it was seeking to become economically and militarily," and it helped shorten the timetable of Sino-Soviet cooperation—resulting in the withdrawal of all Soviet assistance by 1960.[41]

The 1960s

Gordon states that the relationship between Taipei and Washington took a downward turn between 1954 and 1962, and that diplomatic negotiations revealed serious disagreements between the two, including the objectives and interpretation of the 1954 Mutual Defense Treaty. These differences resulted in Taipei and Washington growing "farther apart from and distrustful of one another." He notes that by the end of July 1961, "the Nationalists concluded that ... action must soon be taken to return to the Mainland.... In an effort to improve

40. Ibid., 88.
41. Ibid., 89.

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the Nationalists' military posture, Chiang ordered all armed-forces units to prepare for combat readiness and to await further orders."[42]

While the United States did not support these actions, reports of Nationalist Chinese military preparations and Taipei's "public statements in January 1962 led to U.S. concern that the Nationalists assumed the United States would concur in offensive military operations on the Mainland. To avoid any misunderstanding, [U.S.] Ambassador Drumright in [Taipei] was instructed to ... remind [the Nationalist leaders] that agreement by the United States was required for military operations on the Mainland";[43] unilateral ROC action was not an option.

Sigal notes that by 1962 the Communist buildup of "men and planes" had far exceeded that of the 1958 mobilization and was approaching a level that could be used to attack Quemoy and Matsu. He also notes, however, that because it did not include the sea-going junks required for a landing, such buildup may have been merely defensive preparations for a potential Nationalist attack, which is exactly how the Kennedy administration decided to handle the situation—assuring the Chinese that Washington would not support the use of force in the Strait.[44] By this time, Gordon argues, the Nationalists had rattled their sabers to the point that China had massed troops and military equipment on the Mainland and alerted the country for an invasion from Taiwan. To reassure

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42. Leonard H.D. Gordon, "United States Opposition to Use of Force in the Taiwan Strait, 1954-1962," *The Journal of American History* 72, no. 3 (December 1985): 637, 655.

43. Ibid., 657.

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China, "their ambassador in Warsaw was informed on June 26 that the United States would not support 'any Nationalist attempt to invade the Mainland.'"[45] Taipei finally realized it would not obtain support from Washington, and backed off its military preparations.

Up until 1964, Kallgren notes, the KMT upheld two fundamental assertions: that they were the legitimate government of China, and that they would inevitably reclaim the Mainland. They measured their success on world acceptance of their representational claims, she argues, based upon "the number of nation-states [that accorded] them recognition and [were] prepared to support their position in the United Nations."[46] Eventually, however, Taipei most likely came to realize that these assertions were becoming increasingly difficult to defend, and that China was becoming a major player in the international arena.

Finally abandoning the dream of reclaiming the Mainland, Kallgren notes, the KMT's continued guerrilla campaigns against the Mainland were probably conducted "more for their psychological value rather than [their] military significance," and that these operations would achieve little more than "to foment unrest and sabotage."[47] Gurtov further describes the situation, arguing that the KMT was previously "guided in its international relations by the overpowering goal of reconquering the Mainland." But that by 1966 "Chiang was moved to

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44. Sigal, "The 'Rational Policy' Model," 146.
45. Gordon, "United States Opposition to Use of Force," 657-58.
46. Joyce K. Kallgren, "Nationalist China: Problems of a Modernizing Taiwan," *Asian Survey* 5, no. 1 (January 1965): 12.
47. Joyce K. Kallgren, "Vietnam and Politics in Taiwan," *Asian Survey* 6, no. 1 (January 1966): 29.

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remark that unless the Communists were unseated by 1968, only the U.S. would be in a position to effect the recovery because of Peking's anticipated nuclear delivery capability."[48]

Gurtov describes a changing geopolitical-military landscape in 1967, wherein Chiang recognized that political means were quickly becoming the main avenue toward reclaiming the Mainland. And although military force remained a constant necessity for survival, it was "no longer necessary for the ROC to launch a lightning strike against the Mainland in as much as Mao's extremist measures to save his regime are bound to produce similar effects, and at less cost";[49] Chiang felt that Mao's Cultural Revolution, discussed in Chapter VI, improved Taiwan's image abroad and "enhanced Taipei's claim to represent the only legitimate China."[50]

Clubb argues that "the very justification for the Nationalists' rule on Formosa [was] their 'expectation' to return to power on the Mainland; if the dream [failed], the *raison d'etre* of the Nationalist government ... also [would have passed.]" He also argues that the lower ranks of the Nationalist army by 1965, however—15 years after leaving the Mainland—were "predominantly made up of Formosans who [had] no urge to 'return to the Mainland' because they didn't come from there; and the Nationalist overlordship [had] not been accepted as legitimate and final by the Formosans, who [had] never given their mandate to

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48. Melvin Gurtov, "Taiwan in 1966: Political Rigidity, Economic Growth," *Asian Survey* 7, no. 1 (January 1967): 40.

49. Melvin Gurtov, "Taiwan: Looking to the Mainland," *Asian Survey* 8, no. 1 (January 1968): 16.

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the Kuomintang."[51] He states that in 1964, China began to lean toward the "intermediate zone" of Asia, Latin America, Europe, Canada, and Australia, and he argued in 1965 that China's success could rely on a change in its attitude; namely by adopting the manners of those states with which it sought improved relations. He asserted that "where it was unable to get Moscow to adopt its behavior patterns, it will hardly be successful with Japan, Canada—or, be it acknowledged ... France. In the field of foreign trade, business considerations will govern. Regardless of its revolutionary pronounciamentos, China will be able to buy and sell if it *acts* in a manner acceptable to the respectable bourgeois bankers and traders of the world."[52]

Policy Changes in the 1970s

Vogel identifies three factors critical to the transformation of U.S. policy toward Taiwan after 1970: First, in 1972, the Nixon administration established official contact with Beijing, resulting in the Shanghai Communiqué and ultimately opening liaison offices in each other's capitals in 1973; second, in December 1978, under pressure from Beijing, President Carter severed diplomatic ties and terminated America's defense treaty with Taiwan; and third, in 1982, the Reagan administration came to an agreement with Beijing regarding arms sales to Taiwan. These factors, Vogel argues, have been continually adjusted to maintain peace and stability in the region, allowing Taiwan to become a wealthy,

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50. Gurtov, "The Taiwan Strait Crisis Revisited," 17.
51. Clubb, "Sino-American Relations and the Future of Formosa," 10-11.

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free, democratic, and secure populace. He identifies other issues as responsible for these advancements, including U.S. military protection, economic aid, openness of U.S. markets, and "green card" status for the Taiwanese people.[53]

As political parties in Taiwan and the PRC move away from the status quo, Petersen argues, there is a real danger that conflict across the Strait lies not far ahead. He writes that domestic pressures in Taiwan may force it to challenge the status quo by either directly declaring independence or by forcing Beijing to react to an increase in support of such a move. Such a drive for independence is likely to create an equally strong drive in China for reunification.[54] Further complicating the issue, he posits, is the fact that as Taiwan's faltering economy continues to cause it to lose ground in the cross-Strait arms race, it will become increasingly dependent on the United States for military support and arms sales.[55] He supports the argument that America will soon be forced to abandon its policy of strategic ambiguity, but that taking a firm position will not be easy, and that ignoring Taiwan's reach for democracy would undermine America's basic foreign policy goals stated in the Bush administration's 2002 *National Security Strategy* of "actively [working] to bring the hope of democracy ... to every corner of the free world."[56]

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52. Ibid., 18-19.
53. Vogel, *Living with China,* 173.
54. Andrew Peterson, "Dangerous Games across the Taiwan Strait," *The Washington Quarterly* 27, no. 2 (Spring 2004): 27.
55. Ibid., 36.
56. Executive Office of the President, *National Security Strategy of the United States of America* (Washington, D.C.: Government Printing Office, 2002): 1-2.

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King-yuh Chang criticizes the Carter administration's haste to shift recognition from Taipei to Beijing in 1979, arguing that the situation gave China no reason to make substantial concessions to the West. Although Taipei was justifiably angry about the move, it nevertheless "was prepared to cope with the unfavorable situation and to rebuild Taipei-Washington relations."[57] And "while the decision was a serious blow to Taiwan," Jacobs argues, "it was hardly unexpected, and [Taipei] had been seeking to expand relations wherever it could."[58] King-yuh Chang does note, however, that the Carter administration introduced the Taiwan Omnibus Bill, which helped to supplement United States-Taiwan relations. This concentrated almost exclusively on creating a private, non-profit corporation—the American Institute in Taiwan (AIT)—to "maintain commercial, cultural, and other relations with the people on Taiwan without official government representation and without diplomatic relations."[59] The bill was not as forceful in its position as it might have been, however, since the administration "failed to insist on the PRC's renunciation of the use of force against Taiwan."[60]

Chong-Pin Lin argues that as Taiwan's military posture shifted from offensive to defensive, it was forced to shift its military capabilities as well, stating "When Taipei's strategic orientation shifted from 'retaking the Mainland' to defending Taiwan ... the imbalance between its oversized army and under-

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57. King-yuh Chang, "Partnership in Transition," 606.
58. J. Bruce Jacobs. "Taiwan 1978: Economic Successes, International Uncertainties," *Asian Survey* 19, no. 1 (January 1979): 28.
59. King-yuh Chang, "Partnership in Transition," 607.

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equipped air and naval forces became obvious. In [the] early 1980s, the government almost simultaneously began reducing its troops and upgrading its arsenal. In addition, Taipei diversified its arms suppliers to more than 20 countries by 1991 in order to reduce its dependence on the United States."[61] But military forces alone to not reflect military strength. While China had numerically superior forces "in a straightforward 'bean-counting' sense," there was "no clear-cut answer from the grand strategic perspective."[62]

While Taipei adjusted its military posture, it also had to adjust its political posture. Jacobs argued in 1974 that Taiwan used quasi-official associations as an effective alternative to official diplomatic relations.[63] But even with these efforts, Scobell posits, it was not until after the deaths of Chiang Kai-shek in 1975 and of Mao Zedong in 1976 that an improvement in relations across the Strait was possible; Deng Xiaoping, Mao's successor, "demonstrated renewed energy and determination to recover Taiwan combined with a healthy dose of pragmatism. Whereas Mao had focused on 'liberation' by military force, Deng stressed peaceful unification."[64] This helped to clear the way for a period of stability in the region.

Furthermore, Shao-Liang Liu notes that Taiwan suffered a series of diplomatic setbacks in the 1970s, such as China's improved international

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60. Ibid., 614.
61. Chong-Pin Lin, "The Military Balance in the Taiwan Straits," *The China Quarterly*, no. 146 (June 1996): 579.
62. Ibid., 592.
63. J. Bruce Jacobs, "Taiwan 1973: Consolidation of the Succession," *Asian Survey* 14, no. 1 (January 1974): 26.
64. Scobell, "Show of Force: Chinese Soldiers," 230.

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standing, Beijing's replacing of Taipei at the United Nations in 1971 and United States' severing of diplomatic ties with Taiwan in 1979. But the decade was not completely negative for Taiwan, because "while diplomatic ties took a downward turn, economic development brought about a strong middle class, a less authoritarian government, [and] wider political participation and higher social mobility."[65]

China and Taiwan in the 1980s and 90s

Biddick argues that while China and Taiwan remained primarily focused on competing against each other for diplomatic recognition throughout the 1970s and 1980s, China came to view the region "in a larger geostrategic context as an area of contention of major powers, including the Soviet Union." But while diplomatic competition was a divisive element for regional deliberations, "over the longer term, PRC interests [transcended] the immediate concern with the Taiwan question.... Beijing has positioned itself to gain long-term political influence as a benign and sympathetic friend of the island states."[66]

Ambassador Shen, the ROC's last ambassador to the United States, notes that when President Reagan took office, the Taiwanese people—both governmental and private—were relieved by Reagan's friendly position toward Taiwan. Shen notes that Reagan on several occasions during his campaign

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65. Lawrence Shao-Liang Liu, "Judicial Review and Emerging Constitutionalism: The Uneasy Case for the Republic of China on Taiwan," *The American Journal of Comparative Law* 39, no. 3 (Summer 1991): 510.

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"faulted Jimmy Carter for the way he established diplomatic relations with" Beijing, and that there was a quick improvement in contacts between the United States and Taiwan.[67] This may have been little consolation, however, in light of President Carter's earlier surprise announcement to essentially abandon the ROC by shifting diplomatic recognition to the Mainland and to abolish the 1954 MDT.

Bernstein and Munro posit that China in the early 1990s considered the United States a "hegemonist"; a term China reserved from the 1960s to the 1980s "exclusively for the Soviet Union."[68] Despite the PRC's setbacks, Biddick argues, its involvement in the region was not wholly incompatible with Western interests, but China's growing role in the region "should serve as a reminder that the predominance of Western interests in the South Pacific [could] no longer be taken for granted."[69]

Some regional experts find that deeper U.S. engagement with China is likely to raise domestic tensions and threaten the country's fragile unity. Oskenberg and Economy state that China is skeptical of joining Western enterprises—suspecting hidden motives of the outside world to subvert the Chinese political system through peaceful evolution, to hinder the country's economic growth, or to lock it into a subordinate solution. Stating that an already

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66. Thomas Biddick, "Diplomatic Rivalry in the South Pacific: The PRC and Taiwan," *Asian Survey* 29, no. 8 (August 1989): 801, 811, 814.

67. James C.H. Shen, *The U.S. and Free China: How the U.S. Sold Out its Ally* (Washington, D.C.: Acropolis Books, 1983), 279.

68. Richard Bernstein and Ross Munro, *The Coming Conflict With China* (New York: Vintage Books, 1998), 22.

69. Biddick, "Diplomatic Rivalry," 815.

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tense situation could turn even worse, their study identifies warning signals that could precede such a change, including increased Chinese military expenditures, increased missile and nuclear testing and proliferation, and increased government control of communications.

They also argue that the United States cannot successfully impose the conditions of China's involvement in world affairs unilaterally. Rather, it should consult widely with its Asian and European partners to secure as much support as possible toward China, recognizing that adjustment is necessary to secure China's commitment to international cooperation.[70] And Tan, Chan, and Jillson describe how Taiwan—growing from an economic backwater in the early 1950s—created an economic miracle that made it into one of the world's export powerhouses in the face of growing Chinese power and threats of force to reunify the island with the Mainland; Taiwan was in a precarious position as it asserted its role in the region and the world. They argue, however, that these unique circumstances provided it with dilemmas, as well as opportunities.[71]

Dennis Hickey argues that U.S. security policy toward Taiwan has been steered primarily by Cold War calculations and by how the United States has sought to respond creatively to the constraints on military support to Taipei; imposed upon it by the normalization of relations with mainland China. He further argues that—with the disintegration of the Soviet Union and the end of the

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70. Michael Oskenberg and Elizabeth Economy, *Shaping U.S.-China Relations: A Long-Term Strategy* (New York: Council on Foreign Relations, 1997), 46.

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Cold War—the time had arrived for adjustments in the United States-Taiwan relationship in the early 1990s, but that these modifications should not include a change in American security policy, which should continue to serve U.S. interests in the post-Cold War environment.[72] Lassiter supports this argument, positing that the end of the Cold War "produced systemic changes that made developments on Taiwan appear more in harmony with international change than did developments on the Mainland."[73] And Goucang Huan notes that by the early 1990s, China had become "a mixed economy with a relatively weak central government and strong local authorities," which led to an active private economic sector that could exert growing influence on China's foreign policy.[74]

Hickey also examines the security arrangements between the United States and Nationalist China from 1942 until 1992, noting that the KMT has traditionally depended heavily upon U.S. military support, and arguing that the relationship needs to remain based on Cold War considerations—at least until such time as the People's Republic of China renounces the use of force to regain control over Taiwan.[75] Harris also argues for such maintenance, noting that "China would have preferred to maintain the *status quo* that had existed" in the

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71. Alexander Tan, Steve Chan, and Calvin Jillson, eds., *Taiwan's National Security: Dilemmas and Opportunities* (Aldershot: Ashgate Publishing Limited, 2001), 68.

72. Dennis Van Vranken Hickey, *United States-Taiwan Security Ties: From Cold War to Beyond Containment* (Westport: Greenwood Publishing Group Incorporated, 1993), 109.

73. Martin Lassiter, *U.S. Interests in the New Taiwan* (Boulder: Westview Press, 1993): 203.

74. Guocang Huan, "China's Foreign Economic Relations," *Annals of the American Academy of Political and Social Science* 519, China's Foreign Relations (January 1992): 186.

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early 1990s, and that so long as Taiwan did not attempt to declare independence, no foreign powers interfered, and there was "no internal chaos within Taiwan," that China had reluctantly "accepted the continuity in both [United States-Taiwan] and Taiwan-China relations."[76]

STRATEGIC RELATIONS THROUGHOUT THE YEARS

Noting the importance of developing an effective international relations strategy, Ross states that when two states share "general interests toward a common adversary as well as conflictual particular interests, as is the case in U.S.-China relations, each side must decide on a bargaining strategy concerning the conflictual issues. This strategy is, for the most part, a function of each state's position in the triangular pattern of relations."[77] Whiting provides an example of how a strategic balance can drive decisionmaking, positing that "When the calculation of political cost from passivity outweighed the economic and military costs of taking action, Beijing moved against the United States in Korea.... Preemption and seizure of the initiative resulted in limited victory ... while risk management avoided escalation by the opponent."[78]

Sigal's account of Washington's relations with Chiang Kai-shek in early 1955 reflects a potentially confusing series of exchanges: as three U.S. aircraft

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75. Hickey, *United States-Taiwan Security Ties*, 112.
76. Stewart Harris, "The Taiwan Crisis: Some Basic Realities," *The China Journal,* no. 36 (July 1996): 129-30.
77. Robert Ross, "International Bargaining and Domestic Politics: U.S.-China Relations since 1972," *World Politics* 38, no. 2 (January 1986), 259.
78. Allen S. Whiting, "China's Use of Force, 1950-96, and Taiwan," *International Security* 26, no. 2 (Autumn 2001): 131.

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carriers were en route to the Strait from Manila Bay, Eisenhower blocked efforts to extend coverage to the offshore islands beyond Formosa and the Pescadores. Chiang asserted on 1 March 1955 that he was readying a counterattack on the PLA and that he expected Washington to support him short of providing ground forces. Eisenhower expressed his position against such efforts, however, arguing that the United States would not support Nationalist aggression toward the Mainland.[79] Sigal also argues that China's actions followed a discernable pattern throughout the 1954-55, 58, and 62 crises; one of "probing Nationalist and U.S. intentions, followed by preemptive moves and reprisal against Nationalist-held islands"—inferring that China's primary aim throughout these crises was, in fact, deterring any possible Nationalist invasion.[80]

Gurtov writes that the situation in the Taiwan Strait helped establish the external environment in Sino-Soviet relations, leading to decisions that helped to define Communist China's objectives. Beijing was displeased with a series of events in the Soviet Union in 1956—Khrushchev's denunciation of Stalin, the Soviet response to uprisings in Poland and Hungary, the Soviet reconciliation with Yugoslavia, and the mild Soviet reaction to the Suez crisis—as well as with Moscow's openness to a relaxation of tension with the United States in 1957.[81] And while China still needed and sought Soviet support in 1958, it realized that it could not rely on Moscow to promote either the revolution at home or its interests abroad. Through its military support, the Soviet Union appeared to maintain a

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79. Sigal, "The 'Rational Policy' Model," 131.
80. Ibid., 149.

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degree of paternal control over China, which most likely resulted in Mao's determination that "the PRC would take the long road to military self-sufficiency," including developing its own nuclear weapons.[82]

Despite being a formidable power in Asia, the PRC did not necessarily have a great number of options for building strong alliances, according to Hoobler and Hoobler. They portray China's relationship with the Soviet Union in the 1950s as an uncomfortable coalition; even from 1954 to 1956, Communist China was making overtures toward normalization with the United States, with Khrushchev's de-Stalinization policies creating obvious signs of a rift in Sino-Soviet relations by 1957.[83] They argue that Soviet support for Communist China during the 1958 crisis was far less than Mao expected from China's Communist brother. In 1959, the Soviets rejected Chinese requests for an atomic bomb; remained neutral in China's border dispute with India; and Khrushchev visited the United States, which further strained the relationship and led to the public acknowledgement of a Sino-Soviet dispute.[84] And even if the Soviet Union was not prepared to support PLA actions in the Strait at the time, as Hsieh posits, it most likely cautioned China to undertake any operations carefully and to adjust any military force based on the type and degree of U.S. military response that Beijing could expect.[85]

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81. Gurtov, "The Taiwan Strait Crisis Revisited," 61-62.
82. Ibid., 64-65.
83. Dorothy Hoobler and Thomas Hoobler, *U.S.-China Relations Since World War II* (New York: Franklin Watts, 1981), 48-51.
84. Ibid.
85. Alice Langley Hsieh, *Communist China's Strategy in the Nuclear Era* (Englewood Cliffs: Prentice-Hall, 1962), 18.

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Clubb notes that France's January 1964 recognition of Communist China, the April 1964 appointment and exchange of French and Chinese ambassadors, and China's October 1964 nuclear explosion had substantially altered China's world power position.[86] He states that during discussions in Geneva following the Bandung Conference, the United States and China both essentially demanded each other's surrender—the United States demanded that Peking renounce the use of force in the Strait, and China insisted that the United States withdraw its military forces from the Strait—but in the end, little was resolved.[87]

Sigal states that Beijing might have perceived American policymakers—especially Secretary of State John Foster Dulles and Assistant Secretary of State Walter Robertson—as being tied into the Nationalist strategy; Dulles in March 1952 advocated "unleashing Chiang,"[88] and Eisenhower confirmed in his 1953 State of the Union address that that the Seventh Fleet would no longer be employed to shield Communist China, stating "Permit me to make crystal clear this order implies no aggressive intent on our part. But we certainly have no obligation to protect a nation fighting against us in Korea."[89]

Sigal also posits that the Nationalists' taking control of the offshore islands was an offensive tactic, as it symbolized Chiang's rejection of a "two Chinas" solution in the region. And Chiang probably viewed surrender of the islands as undermining a credible line of defense; the PRC's attempt to compel him to leave

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86. Clubb, "Sino-American Relations and the Future of Formosa," 1.
87. Ibid., 5.
88. Sigal, "The 'Rational Policy' Model," 124.
89. Eisenhower, "Annual Message to the Congress on the State of the Union."

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one island, and then another, in the face of continued "salami-slicing tactics."[90] And while Eisenhower wanted to confuse the Communists by keeping them guessing as to whether the United States would actually get involved in a conflict over Quemoy and Matsu, according to Chang and He Di, he encouraged China's assault on Yijiangshan Island; this "taxed China's amphibious capabilities to the limit and required the largest combined force operation to date in Chinese Communist history," thereby emphasizing Beijing's inability to conduct an effective amphibious operation against Taiwan.[91]

Taiwan's military transformation continued through the end of the century. Copper notes that the U.S. moratorium on sales of weapons to Taiwan "was lifted at the beginning of 1980, but the cancellation of the [U.S.-ROC Mutual] Defense Treaty also went into effect at the same time. In January 1980, the Carter administration announced plans to sell Taiwan USD $291.7 million worth of "defensive" weapons, including 280 surface-air missiles, 14 shipboard gun mounts, and 1,000 antitank missiles.[92] But while the U.S. State Department also refused Taiwan's request for high-performance aircraft, such as the F-4, F-16, and F-18, the Bush administration did agree in 1992 to sell 150 F-16 fighters to Taiwan;[93] a move that Chen Qimao views as a "serious violation of the 1982

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90. Sigal, "The 'Rational Policy' Model," 127.
91. Chang and He Di, "The Absence of War," 1510-12.
92. John F. Copper, "Taiwan in 1980: Entering a New Decade," *Asian Survey* 21, no. 1 (January 1981): 57.
93. Arms Control Association, "U.S. Conventional Arms Sales to Taiwan," June 2004, http://www.armscontrol.org/factsheets/taiwanarms.asp (accessed 7 January 2006).

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communiqué," and which he argues "deteriorated PRC-U.S. relations" and threatened to "cause tension between the two sides of the Taiwan Strait."[94]

Copper notes that Taipei was successful in obtaining two submarines from Holland in 1981, but was unable to obtain advanced aircraft, which Taiwan argued it needed to compete against Chinese MIG-19 and MIG-21 aircraft. "American opponents of the sale replied that China's smaller defense budget and the fact that Beijing has withdrawn military forces from areas close to Taiwan to transfer them to the Sino-Vietnamese border made such sales unnecessary."[95] Adding to the insult, the United States in January 1986 announced the sale of USD $500 million in radar navigation equipment to China so it could upgrade 50 of its F-8 jet fighters. To soften the blow, however, General Dynamics Corporation was permitted to help Taiwan design and build its own jet fighter plane, including an indigenous avionics system.[96]

MILITARY MODERNIZATION IN THE STRAIT IN THE 1990S

Edmonds and Tsai discuss the military balance in the trilateral relationship and the prospects for air power in the future security of the Strait during the 1990s, positing that Taiwan invested considerable resources in thoroughly re-equipping its air force with modern U.S. and French air defense equipment and

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94. Chen Qimao, "New Approaches in China's Foreign Policy: The Post-Cold War Era," *Asian Survey* 33, no. 3 *(March 1993),* 248.

95. John F. Copper, "Taiwan in 1981: In a Holding Pattern," *Asian Survey* 22, no. 1 (January 1982): 51.

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strike aircraft armed with modern air-to-air missiles, thereby ultimately denying China air superiority in any conflict in the short- to medium-term. They state that these weapons were supplemented with indigenously designed and developed combat aircraft and air defense missiles, and that air power would remain a crucial influence on the overall balance that—in the longer term, as China's efforts to upgrade its own air force's capabilities—would begin to undermine Taiwan's current advantages, and could serve as a critical warning for policymakers in determining future arms sales to Taiwan.[97]

Garver explores the origins and "triangular dynamics" of the 1996 crisis, which he states resulted in the biggest show of American naval force in East Asia since the Vietnam War. He notes a Chinese journal that highlighted the weaknesses in Taiwan's defense strategy, which was heavily concentrated on ground forces and was insufficient in air and naval forces. Based on these deficiencies, it stated, the PLA would focus on controlling the air and sea in coordinating an attack against the island; this is what the 1995-96 missile tests and amphibious exercises were intended to demonstrate.[98] In addition to the DF-31 missiles used in these exercises, China had employed SU-27 fighter aircraft, guided missile destroyers, attack submarines, electronic reconnaissance aircraft, amphibious craft, helicopters, paratroopers, and minesweepers.[99] While China's

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96. John F. Copper, "Taiwan in 1986: Back on Top Again," *Asian Survey* 27, no. 1 (January 1987): 87.

97. Martin Edmonds and Michael Tsai, eds., *Taiwan's Security and Air Power: Taiwan's Defense Against the Air Threat from Mainland China* (Philadelphia: Taylor & Francis, Inc., 2003), 98.

98. Garver, *Face off*, 100.

99. Ibid., 97-105.

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military forces might not have been capable of conducting an actual, successful, coordinated, large-scale amphibious assault on Taiwan, it certainly made a significant show of its military force.

Despite this display of power, however, the long-term regional security balance in the Taiwan Strait does not rely upon battalion-to-battalion, bomber-to-bomber, or ship-to-ship quantitative comparisons, nor necessarily upon comparative military capabilities from the most recent conflict. The United States and Taiwan have always maintained a lead in these areas relative to China—with the probable exception of manpower. Christensen posits that Chinese leaders have more recently begun to recognize the potential for closing the gap without having to match either side's military power. Rather, he asserts that China has been examining the possibility of a "counterrevolution in military affairs" through asymmetric warfare, which would allow them to skip levels of technological development and to defeat superior powers by focusing on exploiting their reliance on high technology.[100]

A technological advantage can be important, but not all technology is equal. For all their hype, for example, nuclear weapons may not legitimately play a key role in the regional security strategy; either for China or for the United States. In fact, as Ross argues, asymmetric capabilities have enabled Washington to de-link extended deterrence from a reliance on such weapons. He notes that some Chinese military specialists have even argued that superior

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asymmetric capabilities, such as information warfare, may be *superior* to nuclear capabilities.[101] Until achieving such superiority, however, Ross states that China's emphasis on conventional capabilities in deterring local war means that, for now, the US-China conventional deterrence relationship remains the factor that will determine whether China will use force against Taiwan to achieve reunification.[102]

While asymmetric superiority may remain one of China's hopes for the future, Ross also notes that one advantage China may believe it currently has on its side is the perception-based "Somalia analogy," which posits that hegemonic powers fear, above all, personnel casualties.[103] Similarly, Jia Qingguo argues that "while Beijing takes note of the American public's unwillingness to accept any sacrifice of lives in foreign interventions, Beijing never underestimates Washington's ability to intervene or to justify such intervention."[104] And Watman and Wilkening posit that "regional powers seek quick, decisive military results, not long wars of attrition"; they want to avoid long, drawn-out conflicts.[105] Neither China nor Taiwan, however, could have likely achieved this on their own.

The Somalia analogy mentioned above reflects the 1993 debacle when American troops fled Somalia after local rebels dragged the corpses of American

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100. Thomas J. Christensen, "Posing Problems Without Catching Up: China's Rise and Challenges for U.S. Security Policy," *International Security* 25, no. 4 (Spring 2001): 8-9, 21-23.

101. Robert S. Ross, "Navigating the Taiwan Strait: Deterrence, Escalation Dominance, and U.S.-China Relations," *International Security* 27, no. 2 (Fall 2002): 64.

102. Ibid., 61-62.

103. Ibid., 18-20.

104. Jia Qingguo, "Reflections on the Recent Tension in the Taiwan Strait," *The China Journal*, no. 36 (July 1996): 94.

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servicemen through the streets. This analogy, however, may no longer hold true since the continuation of Operation Iraqi Freedom amid insurgents' suicide bombings, the public burning of American contractors hung from a bridge, multiple beheadings of Western civilian aid workers, widespread anti-war sentiment among the American people, and over 3,000 fatalities among American military personnel as of early 2007 and many tens of thousands more casualties. Although the American people have grown tired of it, the U.S. Government appeared largely determined to "stay the course." As Snyder notes, "in any particular crisis, part of the payoff for firmness is in the encouragement of expectations of one's future firmness."[106] In this realm, the war in Iraq probably has revitalized perceptions of Washington's resolve and credibility in the eyes of many opponents of the United States. During the 1996 crisis in the Strait, however, this analogy probably would have still applied.

Jia Qingguo argues that a U.S. policy of engagement with China eventually won out because implementing an effective containment policy would have been extremely costly and counter-productive. It would have turned China into an "instant enemy," and would not necessarily have received support from the international community because a heavy-handed approach might have appeared excessive, and because American businesses could have missed an

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105. Watman and Wilkening, *U.S. Regional Deterrence Strategies*, 67.
106. Snyder, "'Prisoner's Dilemma' and 'Chicken,'" 99.

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opportunity to "tap into the vast China market; a dream they have shared for the past century but have not yet had a chance to turn into reality."[107]

Although much hope remains for future efforts in the Strait, Tsang argues that growing economic ties between Taiwan and the Mainland have not significantly reduced tensions and the threat of force between Taiwan and the Mainland. War or peace across the Strait, he posits, will determine whether stability, good order, and prosperity can be maintained in East Asia. And while the key to pre-empting war rests primarily in the hands of policymakers in Beijing and Taipei, Washington can still significantly influence their policies. While nobody openly prefers war to peace, Tsang argues, China insists on retaining its right to use force to achieve reunification and has embarked upon a major military build-up.[108]

Does strategic thinking on the question of deterrence vary between Sino-American cultures? Should practitioners assume a common understanding of deterrence, regardless of national and cultural differences? Shu Guang Zhang takes on these questions by exploring Sino-American confrontations between 1949 and 1958. By drawing on recently declassified American documents and previously inaccessible Chinese Communist Party records, he illustrates the vast differences between the Chinese and American assessments of each other's intentions, interests, threats, strengths, and policies during this period. He suggests that, because of such misperceptions, American and Chinese

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107. Jia Qingguo, "Reflections on the Recent Tension," 96.

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counterthreats to perceived threats—a principal feature of a deterrent relationship—did not work as intended, and that the literature on deterrence, at least as of 1993, provided no clear manner for approaching such a divergence of understanding or such a unique balance of mutual deterrence.[109]

In the end, Chang and He Di posit, Mao determined by February 1955 that the United States would not go to war over the offshore islands; but because Eisenhower's military plans were so ambiguous, Mao could not understand the extent of Washington's commitment. Mao feared showing any signs of weakness in the face of U.S. military pressure, but in the absence of a fully credible U.S. threat, Beijing did not assess the military costs of conducting operations as outweighing the political costs of giving into U.S. deterrence.[110] Further explaining the security situation, Ross argues that America's success in the Strait relies on the belief within China's leadership that American military capabilities can be used effectively in a cross-Strait conflict, and also that China will suffer more costs from conflict than it will gain through reunification; that it values other interests *more* than reunification.[111] Whether this holds true is largely dependent upon perceptions of rationality and credibility, as were addressed in Chapter III.

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108. Steve Tsang, ed., *Peace and Security across the Taiwan Strait* (New York: Palgrave Macmillan, 2004), 89.

109. Shu Guang Zhang, *Deterrence and Strategic Culture: Chinese-American Confrontations, 1949-1958* (Ithaca: Cornell University Press, 1993), 133.

110. Chang and He Di, "The Absence of War," 1515-17.

111. Ross, "Navigating the Taiwan Strait," 50.

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Although military technology has improved the efficiency and capabilities of most modern military equipment, technology is only a tool; how it is used largely determines its effectiveness, and this is often a reflection of a military's organizational structure. Additionally, as Ping Deng notes, the economic standing of a nation can have a significant effect on military power, because "military might is significantly dependent on economic might."[112] And Shambaugh states that the organizational structure of the PLA at the turn of the 21st century was "essentially that of the Soviet model imported in the 1950s," consisting of a "Central Military Commission, general departments—notably, with Communist Party dominance and a political commissar system—military regions and districts, and configuration of services."[113]

Shambaugh argues that ground forces have always been the "heart and soul of the PLA," to which the PLAAF has always been secondary. He also notes that mainland China maintains a very large paramilitary force, which consists of the People's Armed Police, the People's Militia, and the PLA Reserve Corps.[114] While these comprise a significant element of its military, however, none of this is to say that China is limited to land operations: their air force, while not the primary element of China's military, probably remains a powerful and capable force that policymakers should not disregard when considering China's military strength.

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112. Ping Deng, Taiwan's Restriction of Investment in China in the 1990s: A Relative Gains Approach," *Asian Survey* 40, no. 6 (November-December 2000): 960.

113. David Shambaugh, *Modernizing China's Military: Progress, Problems, and Prospects* (Berkeley: University of California Press, 2002), 109.

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Military capabilities can often be quantified, at least in general terms, but leadership is more ambiguous and can have a more immediate impact on a state's military posturing; irrespective of its capabilities. Scobell differentiates between a belligerent leader who "has crossed a threshold in a particular instance and is eager for battle"; a bellicose leader "who is predisposed to war;" and a hawkish leader "who is predisposed to saber-rattling, brinkmanship, and threats of war to achieve policy goals—i.e., coercive diplomacy"—which he contends was the case in the 1995-96 crisis.[115] He further describes the myths that influence contemporary perceptions of China as a belligerent power, including one myth of a "defensive-minded pacifist ancient culture," and another myth that assumes "a military completely subordinate to, or totally in synchronization with, a civilian elite."[116]

Scobell argues that territorial disputes—particularly those pertaining to Taiwan—are quite important to Beijing, and that in many cases it was the paramount leader who was the driving factor in the decision to use force. He also argues that soldiers generally are "more cautious and conservative than statesmen on domestic and foreign employments; however, this is less true on issues of emotional nationalism."[117] This may suggest that the PRC and ROC militaries in the 1950s and 1960s might have been more willing to engage in a Taiwan conflict—when Taiwan was a more personal issue—than in the 1990s,

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114. Ibid., 154, 158, 170.

115. Andrew Scobell, *China's Use of Military Force: Beyond the Great Wall and the Long March* (Cambridge University Press: Cambridge, 2003), 171.

116. Ibid., 192.

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when most Communist Chinese military members had no personal ties to the island. Scobell's perception of Chinese civil-military culture presents an interesting lens through which to view the way China's military and policymakers might perceive its interests in the Strait.

CONTRIBUTION TO THE LITERATURE

This dissertation presents a relatively common issue—the Taiwan Straits Crises—and presents it in a way so that the reader can view the events through a lens that he or she might not have considered previously. Rather than simply applying a traditional deterrence model or assuming that geopolitics drove the actors to take one action over another, this research helps to explain the role that the deliberate application of ambiguity played in the trilateral relationship. It also provides the reader with some additional context into how the factors espoused in the model might be applied to other trilateral security situations.

Because pivotal deterrence is a relatively new approach to deterrence, there is very little literature specifically addressing it—particularly as to whether or how it applied to U.S. security policy in the Taiwan Strait. Also, previous studies that broadly employed extended deterrence have often neglected the Strait because, Taiwan and China being technically and legally one state, the crises between them have been generally categorized as "civil" conflicts; or because the conflicts were not protracted to a degree to warrant classification as "war." This author, however, posits that China and Taiwan qualify as separate

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117. Ibid., 195-196.

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actors due to the unique situation in the Strait, and also that holistic pivotal deterrence presents an effective approach to explaining the security relationship throughout the Taiwan Strait Crises of 1954-55, 1958, 1962, and 1995-96; as well as during the relationship shift in the 1970s.

The most similar approach to pivotal deterrence—extended dual deterrence—does not sufficiently address the factors presented in this research. By applying the holistic pivotal deterrence model presented herein to the four key crises in the Taiwan Strait, this dissertation provides additional data points for understanding and assessing pivotal deterrence and, more specifically, the effect of ambiguity in international security policy. Although this research focuses heavily upon political, military, economic, and social developments in the Strait, it is not, on the whole, about United States-China-Taiwan foreign policy; it is more succinctly about U.S. security policy, which may be understood as a more specific subset of foreign policy, and the triangular relationship in the Strait through the lens of holistic pivotal deterrence. This research contributes to the literature by building upon Crawford's pivotal deterrence model and using it to explain stability in the Taiwan Strait. As a result, this research builds upon the existing deterrence literature and applies it to a regional context, thereby identifying the elements of holistic pivotal deterrence, illustrating how a strategic playing field can change over time, and demonstrating how these changes affected the application of a pivotal deterrence model.

This model was developed to address the complexities of the ambiguous trilateral relationship between the United States, China, and Taiwan in a way that

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other aspects of deterrence theory fail to encompass. While this research presents a largely explanatory—rather than predictive—outcome, its lessons may help readers understand the complexities of utilizing deterrence and ambiguity to maintain security, which can be useful for scholars and professionals in both the theoretical and policymaking fields of international studies to identify potential opportunities for applying the model in future situations.

SUMMARY

This literature review has demonstrated that U.S. relations across the Taiwan Strait since 1949 have been tenuous throughout many periods of crisis, but that U.S. involvement has remained an essential element in sustaining the relative peace and stability between Taiwan and mainland China. America's strategic approach throughout this period involved maintaining a degree of flexibility and ambiguity that has allowed it to manage relations with both China and Taiwan in a way that could not have been accomplished if it had taken a clear position with one side or the other. America's policy toward the region has permitted growth and development that hopefully, over time, will continue to bring China and Taiwan closer to a peaceful reconciliation of their differences. This chapter touched upon some elements of deterrence, which is a complex and fundamental element of U.S. foreign policy in the Strait, and which warrants further exploration.

While this literature review addressed military, political, diplomatic, and economic factors in the Strait, the next chapter will discuss the specific events

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that drove the trilateral relationship throughout the second half of the 20th century. It will include the background treaties, documents, and other agreements upon which U.S. relations in the Strait are founded, and will show how the multiple factors maintained security within the region's dynamic security structure.

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CHAPTER V

FACTORS AFFECTING SECURITY IN THE STRAIT: 1945-63

The previous chapter presented a review of the literature discussing the trilateral security relationship and the framework in which it operates. Building upon these concepts, this chapter discusses the shifting political, military, economic, and diplomatic factors that helped to define the roles and positions of China, Taiwan, and the United States in that relationship since the late 1940s and that set the stage for the next five decades of tension in the region.

This chapter also presents the context for understanding how the United States developed and managed its regional security policy from 1945 to 1963. It provides a basic picture of the regional geopolitical events leading up to the period under study and provides important context for the remainder of the dissertation. It is intended to help the reader understand why China's more recent history has been so turbulent, as well as why U.S. policy has remained so ambiguous throughout the years.

POWER AND CONTROL

This chapter focuses on the empirical data available on the three primary actors throughout the relationship—China, Taiwan, and the United States—including information about public statements, arms sales, military mobilizations, propaganda, external relationships, treaties, aggression, and capabilities; as well as perspectives from regional experts, former government officials, transcripts of

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diplomatic meetings, and other relevant sources. These are presented to demonstrate how they support pivotal and holistic pivotal deterrence.

This chapter presents the background on the actual developments that created, shaped, and directed the security situation in the Strait. This information will illustrate to the reader how and why pivotal deterrence applied to the events in the region. This is also where the information comes together to create the linkages that exist between the United States, China, and Taiwan, and how they function together in a political climate.

Political, military, and diplomatic factors are important in explaining how and why conflict did not escalate to its full potential in the Strait during the four crises, but the balance of economic power also plays an important role. Since one's economic position may reflect independence or reliance upon other states, it is worth noting to some extent. Taiwan's surpluses in 1945 could be attributed to "technological discipline and a high degree of social and economic organization," and provided a great potential advantage.[1] The shifting of power from the Nationalists to the Communists at the end of the decade, however, did not come with a smooth economic transition.

Economic Factors

Taiwan's economy under Japanese rule was developed to serve the economic needs of Japan and the military needs of the Japanese base

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1. George Kerr, "Some Chinese Problems in Taiwan," *Far Eastern Survey* 14, no. 20 (October 1945): 284.

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established on Taiwan; not to benefit the Taiwanese.[2] But by mid-February 1947, "the economic crisis in China threatened a general breakdown of China's economic structure.... The 6,500,000 Formosans found themselves in February 1947 infinitely worse off than they had been under the Japanese for half a century."[3] And by late 1948, due to China's spiraling inflation, "prices have become astronomical and their rise so rapid that the government [have] been unable to print sufficient money to meet day-by-day needs";[4] the KMT was quickly losing control.

With the outbreak of the Korean War in 1950, Clark notes, the United States extended a security umbrella—which was critical to Taipei's existence—guaranteeing the survival of the Republic of China. With this, Chiang's reconstituted KMT government made a momentous decision to promote rapid development.[5] While Taiwan maintained "the reputation of being a capitalist or free-market showplace, its rapid growth has been closely associated with several major structural transformations of the economy that were the result of explicit state policy and guidance," including radical land reform of the early 1950s and

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2. A.J. Grajdanzev, "Formosa (Taiwan) Under Japanese Rule," *Pacific Affairs* 15, no. 3 (September 1942): 323.

3. George Kerr, "Formosa's Return to China," *Far Eastern Survey* 16, no. 18 (October 1947): 208.

4. United States Department of State, "The Ambassador in China (Stuart) to Secretary Marshall," 10 August 1948 (Doc 161: Annex), *United States Relations with China: With Special Reference to the Period 1944-99* (Washington, D.C.: U.S. Government Printing Office, 1949): 885.

5. Cal Clark, "The Taiwan Exception: Implications for Contending Political Economy," *International Studies Quarterly* 31, no. 3 (September 1987): 333-335.

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an import-substitution industrialization policy that established strong protectionist controls.[6]

Omestad notes that "Taiwan's de facto independent existence was sealed early on by U.S. military protection. The Communists unified the Mainland, and the government on Taiwan busied itself with economic growth."[7] And Ying-mao Kau notes that the 1958 crisis "forced the KMT to face squarely the difficult reality of long-term survival on Taiwan versus the short-term dream of retaking the Mainland. Hence, the concept of 'economic development' began to carry increasing weight and moved to the center of the KMT's political game plan."[8]

Taipei has long recognized the importance of technological progress for its industrial development, according to Arnold. He argues that economic growth in the 1950s and 60s "was spurred primarily by labor-intensive industries and the export of processed goods: very little scientific research and development was actually carried out except in the field of agriculture where improved varieties of crops and animals were successfully developed."[9] Taiwan was determined to grow its economy in the 1970s and to improve its indigenous capabilities in science and technology in order to improve its security and develop its defense industry, as well as to provide "an important motivational basis for developmental

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6. Ibid., 334.
7. Thomas Omestad, "Dateline Taiwan: A Dynasty Ends," *Foreign Policy*, no. 71 (Summer 1988): 179.
8. Michael Ying-mao Kau, "The Power Structure in Taiwan's Political Economy," *Asian Survey* 36, no. 3 (March 1996): 290.
9. Walter Arnold, "Science and Technology Development in Taiwan and South Korea," *Asian Survey* 28, no. 4 (April 1998): 444.

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bureaucrats to hasten the institutionalization of science and technology research and development plans."[10] These were ambitious, but important, goals.

Chang emphasizes Taipei's history of dependence on Washington, noting that the United States provided approximately USD $3.7 billion in economic and military aid to Taiwan between 1949 and the early 1960s, of which about $1.4 billion went directly into the Taiwanese economy.[11] The annual amount of military aid decreased from $351.2 million in 1952 to $84.4 million in 1962, and the total amount of assistance also decreased from $442.6 million in 1955 to $160.4 million in 1962, but the United States remained Taiwan's largest economic trading partner in the early 1960s, followed by Japan.[12] Overall, the tensions in the Strait did not appear to have a negative impact on Taiwan's economy. In fact, as Plummer notes, Taiwan's economic progress "was the most impressive of all the emerging countries of Asia" in the 1960s.[13] Moreover, Ho argues, 1951-84 was actually an unprecedented period of successful economic development for Taiwan, although he does note that its development "is sometimes attributed to the United States aid it received from about 1951 through the mid-1960s."[14]

Highlighting the relevance of economic power, Werner posits that "the legitimacy of a political system reflects many ingredients, but the most significant

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10. Ibid., 444-45.
11. David W. Chang, "U.S. Aid and Economic Progress in Taiwan," *Asian Survey* 5, no. 3 (March 1965): 152-54.
12. Ibid., 155-58.
13. Mark Plummer, "Taiwan: The 'New Look' in Government," *Asian Survey* 9, no. 1 (January 1969): 20.

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may be hope, and a sense of economic progression ... [that] continued economic prosperity is the key to Taiwan's future since it is the underpinning of political legitimacy. This linkage is therefore the hinge of domestic stability."[15] These factors illustrate the importance of Taiwan's economic development, which helped it to establish itself as an economic power in the region.

While the United States clearly possessed a great deal of economic control over Taiwan, China could generally count on the Soviet Union for support and trade throughout the 1950s. Economic decline and famine on the Mainland toward the end of the decade created some shifts in Chinese dependence, but not to any great extent. The CIA assessed that, as of late 1962, Western grain shipments to mainland China made a significant economic contribution to the strength of the Communist regime, and was perhaps the only true economic lever against the regime that the West possessed at the time.[16] With few viable options in this regard, one might expect that economic pressure would play a large role in U.S. security policy toward China; this was not the case, however.

Kaim posited in 1949 that, when the PRC came to power, "the Communists [realized] they [could not] carry out their reform plans without foreign cooperation and without imports," and that "such imports [could] be purchased in

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14. Samuel P.S. Ho, "Economics, Economic Bureaucracy, and Taiwan's Economic Development," *Pacific Affairs* 60, no. 2 (Summer 1987): 226, 232.

15. Roy A. Werner, "Taiwan's Trade Flows: The Underpinning of Political Legitimacy?" *Asian Survey* 25, no. 11 (November 1985): 1105-07.

16. United States Department of State, "Paper Prepared in the Policy Planning Council," 30 November 1962, (Doc. 157: Paper), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www .about_state/history/frusXXII/151to197.html (accessed 15 December 2006).

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Russia and eastern Europe only in very small quantities."[17] But Boone notes that while the PRC was "calling on the business community to continue their normal functions and promising them protection" following the takeover of mainland China, they "were not slow to put into effect their plans for the elimination of Western interests from the Mainland."[18] And in 1953, Hughes notes, the PRC instituted its first "Five Year Plan," which emphasized capital industry's responsibility to double the Mainland's industrial output in the PRC's "attempt to compress the modernization of China's backward economy" into an expedited timeframe.[19]

TAIWAN'S EARLY YEARS: DESIGNING LEGITIMACY

Until the 17th century, the population of Taiwan was almost exclusively composed of non-Chinese aboriginal groups whose origins may be traced to Southeast Asia.[20] But when Japan annexed Taiwan in 1895, it faced the issue of determining how it could get the most out of China, especially territory, without provoking the West into intervening. I-te Chen notes that "the annexation of Taiwan ... satisfied [Japan's] public hunger for Chinese territory, at least

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17. J.R. Kaim, "Trade Prospects in China," *Far Eastern Survey* 18, no. 11 (1 June 1949): 124.

18. A. Boone, "The Foreign Trade of China," *The China Quarterly*, no. 11 (July-September 1962): 177

19. T.J. Hughes, "China's Economy—Retrospect and Prospect," *International Affairs (Royal Institute of International Affairs 1944-)* 46, no. 1 (January 1970): 65.

20. Ronald G. Knapp, "Chinese Frontier Settlement in Taiwan," *Annals of the Association of American Geographers* 66, no. 1 (March 1976): 43.

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temporarily, and gave Japan the coveted status of a colonial power."[21] This lasted 50 years and resulted in artificially created social tensions on Taiwan.

Following the end of WWII in 1945, Japan was forced to relinquish control of its annexed territories. The initial issue regarding the legitimate ownership of Taiwan following WWII is rooted in the Cairo Declaration of 27 November 1943, in which the United States, the United Kingdom, and China declared their intent that "all the territories that Japan has stolen from the Chinese, such as Formosa and the Pescadores, shall be restored to the Republic of China."[22] Hsiao and Sullivan note that after 1943, the CPP treated Taiwan *a priori* as an integral part of Chinese territory and thus denied any potential political sovereignty to the Taiwanese people.[23]

The Potsdam Declaration of 26 July 1945 further defined the terms for Japanese surrender and stated that "the terms of the Cairo Declaration shall be carried out,"[24] but it did not explicitly mention Taiwan or the other offshore islands. And Japan's surrender did not resolve Taiwan's problems. As Yu-Shan Wu notes, "the KMT state and Taiwan society were alien to each other when they

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21. Edward I-te Chen, "Japan's Decision to Annex Taiwan: A Study of Ito-Mutsu Diplomacy, 1894-95," *The Journal of Asian Studies* 37, no. 1 (November 1977): 72.

22. United States, Taiwan, and Great Britain. "Declaration of the Three Powers—Great Britain, the United States and China Regarding Japan," 27 November 1943, National Diet Library, http://www.ndl.go.jp/constitution/e/etc/c03.html (accessed 30 May 2006).

23. Frank S.T. Hsiao and Lawrence Sullivan, "The Chinese Communist Party and the Status of Taiwan, 1928-1943," *Pacific Affairs* 52, no. 3 (Autumn 1979): 465.

24. United States, China, and Great Britain. "Proclamation Defining Terms for Japanese Surrender," 26 July 1945, National Diet Library, http://www.ndl.go.jp /constitution/e/etc/c06.html (accessed 30 May 2006).

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first met in 1945 after fifty years of Japanese colonization of the island."[25] They had become so isolated from each other, he posits, that they no longer identified with one another; they had become different peoples.

TENSIONS BUILDING IN THE STRAIT: 1949-54

After the PRC's rise to power in 1949 and the resurgence of the KMT in Taipei, it was still unclear whether the Cairo Declaration's specification that the territories were to be restored to the "Republic of China" discredited the PRC's claims of ownership. While not specifically covered in the Potsdam Declaration, however, some argue that after the territories reverted back to the ROC, these islands became an integral part of China that subsequently saw a shift in power to the PRC. Conversely, others may argue the opposite; that since the Cairo Declaration specifies that the territories belonged to the ROC, and not the PRC, that Taipei has a legitimate claim to their ownership. This question seems to balance on whether one considers the government in Taipei as legitimate or as existing in name only. Although Washington and others have recognized the PRC as the official Government of China, some continue to recognize Taipei.

When the KMT reestablished itself on Taiwan, Clough notes, it immediately transformed the island "into the seat of a national government, still recognized by most of the world at that time as the legitimate Government of China."[26] Clubb

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25. Yu-Shan Wu, "Marketization of Politics: The Taiwan Experience," *Asian Survey* 29, no. 4 (April 1989): 382.

26. Ralph N. Clough, "The Enduring Influence of the Republic of China on Taiwan Today," *The China Quarterly*, no. 148 (December 1996): 1055.

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argues that the civil war in China in the late 1940s was not, at the time, a priority for the United States, which was going to wait for the situation to run itself down a bit before developing a new policy for the region.[27] Washington's position toward Communist China at the outset appeared more ambivalent than confrontational.

U.S. diplomats discussed giving diplomatic recognition to the Communist regime in 1949, but were put off by its arrogant mood.[28] The U.S. Ambassador in China at the time considered any move toward recognition of the PRC unwise, noting that "Chinese have long successfully employed through weakness [a] policy of playing one foreign power against another."[29] Washington recognized the reality of continuing to conduct business with the Mainland, but recognized the need to proceed carefully, as any *de facto* relations could be construed as, and eventually become, *de jure* recognition of the Communist regime.[30]

While Communist China at the time sought diplomatic relations with the United States, France, Netherlands, Belgium, Italy, and Great Britain,[31]

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27. O. Edmund Clubb, "Formosa and the Offshore Islands in American Policy, 1950-1955," *Political Science Quarterly* 74, no. 4 (December 1959): 517.

28. United States Department of State, "The Ambassador in China (Stewart) to the Secretary of State," 29 April 1949, (893.01/4-2949: Telegram), *Foreign Relations of the United States, 1949*, Vol. 9, *China* (Washington, D.C.: Government Printing Office, 1978): 12.

29. United States Department of State, "The Ambassador in China (Stewart) to the Secretary of State," 3 May 1949, (711.93/5-349: Telegram), *Foreign Relations of the United States, 1949*, Vol. 9, *China* (Washington, D.C.: Government Printing Office, 1978): 14-15.

30. United States Department of State, "The Ambassador in China (Stewart) to the Secretary of State," 27 May 1949, (893.01/5-2749: Telegram), *Foreign Relations of the United States, 1949*, Vol. 9, *China* (Washington, D.C.: Government Printing Office, 1978): 30.

31. United States Department of State, "The Consul General at Peiping (Clubb) to the Secretary of State," 2 October 1949 (793.00/10-249: Telegram), *Foreign Relations*

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Washington considered early U.S. recognition of the regime "highly unlikely."[32] Nevertheless, Mao Zedong declared Beijing's intent to establish diplomatic relations with "any foreign government prepared [to] observe principles [of] equality, mutual interest, [and] mutual respect [of] territorial integrity [and] sovereignty."[33] U.S. diplomats had reason to believe in 1949 that China's Communist leaders truly desired "American recognition and regularization [of] relations for both political and economic reasons," and felt that any Communist concessions "would be rooted in political and economic exigencies."[34]

To maintain regional stability between China and Taiwan, President Truman ordered the United States Navy's Seventh Fleet into the Formosa Strait on 27 June 1950. Justifying this action, he stated

> The attack upon Korea makes it plain beyond all doubt that Communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace and security. In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area

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of the United States, 1949, Vol. 9, *China* (Washington, D.C.: Government Printing Office, 1978): 93.

32. United States Department of State, "The Acting Secretary of State to the Consul General at Tientsin (Smyth)," 30 September 1949 (893.01/9-2349: Telegram), *Foreign Relations of the United States, 1949*, Vol. 9, *China* (Washington, D.C.: Government Printing Office, 1978): 93.

33. United States Department of State, "The Ambassador in the Soviet Union (Kirk) to the Secretary of State," 2 October 1949 (893.01/10-249: Telegram), *Foreign Relations of the United States, 1949*, Vol. 9, *China* (Washington, D.C.: Government Printing Office, 1978): 94.

34. United States Department of State, "The Consul General at Peiping (Clubb) to the Secretary of State," 11 October 1949 (893.01/10-1149: Telegram), *Foreign Relations of the United States, 1949*, Vol. 9, *China* (Washington, D.C.: Government Printing Office, 1978): 121-22.

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> and to United States forces performing their lawful and necessary functions in that area. [35]

While sending the U.S. Navy into the Strait to prevent any attack on Formosa, Truman called upon Taipei to "cease all air and sea operations against the Mainland," declaring "the [Seventh] Fleet will see that this is done." He also stated that "the determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations."[36] Not specifically supporting the ROK, the United States was somewhat ambivalent about the China-Taiwan issue at the time.

Washington's ambivalence changed toward the end of 1950. As Wolk illustrates, the Korean War brought a series of successes and failures for the United States in the region. At the height of U.S. success during the war, General MacArthur landed at Inchon on South Korea's western coast and subsequently drove the North Koreans north, back across the 38th Parallel and continued pushing northward—not recognizing the perceived threat that his actions presented to China as U.S. and ROK military forces approached the Yalu River. MacArthur decided to push ahead on 24 November 1950, but late on 25 November, "more than 200,000 Chinese troops attacked [U.S. forces], driving through the South Korean Army's II Corps and pulverizing the right flank of the

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35. Harry S. Truman, "Statement by the President on the Situation in Korea," 27 June 1950, The American Presidency Project, http://www.presidency.ucsb.edu /ws/index.php?pid=13538&st=&st1= (accessed 2 December 2005).

36. Ibid.

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Eighth Army. In an instant, the war had been transformed."[37] As Chinese forces drove U.S. troops back to the 38th Parallel, the PLA's actions reinforced Eisenhower's stated belief that the Communist Chinese, along with the Communist North Koreans and Soviets, were a threat to democracy, a threat to peace, and a threat to the security of the United States.

President Eisenhower in February 1953 described America's role in the Strait as one of "playing both sides against the middle" in order to prevent both China and Taiwan from taking aggressive action against the other. "In June 1950, following the aggressive attack on the Republic of Korea," he stated, the Seventh Fleet "was instructed both to prevent attack upon Formosa and also to ensure that Formosa should not be used as a base of operations against the Chinese Communist Mainland. This meant, in effect, that the United States Navy was required to serve as a defensive arm of Communist China."[38] He later stated that "any invasion ... would have to run over the [Seventh] Fleet."[39] In essence, the United States had publicly and officially become a pivotal influence between the two Chinese powers.

Chiang Kai-shek reclaimed his presidential powers in March 1950 from Taipei, where he announced his five-year plan to reclaim control of mainland China; making preparations in 1951, conducting a counter-attack in 1952, and

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37. Herman S. Wolk, "Truman's War," *Air Force Magazine Online* 83, no. 11 (November 2000), http://www.afa.org /magazine/Nov2000/1100korea.asp (accessed 30 November 2005).

38. Eisenhower, "Annual Message to the Congress on the State of the Union."

39. Dwight D. Eisenhower, "The President's News Conference of August 17th, 1954." 17 August 1954. The American Presidency Project. http://www.presidency .ucsb.edu/ws/index.php?pid=9987&st=&st1= (accessed 16 December 2006).

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"mopping up" from 1953-1955.[40] This plan was not well-received in Washington, which certainly recognized the trouble that any such operations would entail. The PRC's performance in the Korean War helps to illustrate the basis for U.S. concerns.

Ambiguity in Taiwan's legal status seems to have complicated matters in the Strait. Whereas the Cairo Declaration of 1943 clearly stated that Taiwan should be restored to China, this was superseded by the San Francisco Peace Treaty of 1952 with Japan, which did not specify who would be the beneficiary of these islands. Trong Chai notes that the Cairo Declaration was never ratified, however, and was not a legal document.[41] Until the San Francisco Treaty, he argues, Taiwan and the Pescadores still technically belonged to Japan. At that time, "the KMT's occupation became effective ... [and its] title to Taiwan was derived not from the occupation, which occurred in 1945, but from the treaty."[42] Mendel notes, however, that neither China nor Taiwan was invited to the 1951 San Francisco Peace Conference because of disagreement over whether to invite the new Peking Communist regime or Taipei's Nationalists. To avoid any consternation on the point of to whom Taiwan rightfully belonged, the 1951 treaty simply conveyed Japan's renunciation of "all right, title, and claim to Formosa and the Pescadores" without specifying any beneficiary."[43]

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40. Clubb, "Formosa and the Offshore Islands," 517.
41. Trong Chai, "The Future of Taiwan," *Asian Survey* 26, no. 12 (December 1986): 1314.
42. Ibid., 1315.
43. Douglas H. Mendel, "Japanese Policy and Views Toward Formosa," *The Journal of Asian Studies* 28, no. 3 (May 1969): 514.

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The reorganization of the KMT in the early 1950s illustrates several things, according to Dickson: the evolution was episodic, not gradual; and it was partial, not complete, because it did not become an entirely different political party; and the organizational form it chose was consistent with its own past, but also proved successful with the environment it wished to control.[44]

1954-55: THE FIRST TAIWAN STRAIT CRISIS

Shortly after the Korean War Armistice, which was signed in 1953, China and Taiwan came into conflict over several small islands—including Quemoy and Matsu—located off the shore of the Mainland that were claimed by both sides of the Formosa Strait. After Nationalist military forces moved to occupy the islands, China began an artillery bombardment of the islands, thereby drawing the United States military into the conflict.

The Seventh Fleet had been operating in the region for years. But in his State of the Union Message to the Congress on 2 February 1953, President Eisenhower stated that "since the 'Red Chinese' had intervened in the Korean War, he felt no longer any need to 'protect' them from an invasion by the Nationalist Chinese forces of Chiang Kai-shek."[45] The next day, newspapers throughout America announced that Eisenhower was ready to "unleash Chiang" on Communist China.

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44. Bruce J. Dickson, "The Lessons of Defeat: The Reorganization of the Kuomintang on Taiwan, 1950-52," *The China Quarterly*, no. 133 (March 1993): 83.

45. Dwight D. Eisenhower, "Annual Message to the Congress on the State of the Union."

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Stalin's death in March 1953 may have changed Eisenhower's perspective on the China situation. With Moscow facing new leadership, Beijing might have been in a weaker position to use it for leverage against the West. The bombardment stopped as a result, but only temporarily.

Despite Washington's ties to Chiang, the United States Congress began to change its attitude during the early stages of the 1954-55 crisis, arguing that Communist China should not be ignored, and that formal recognition of Beijing was inevitable.[46] Any empathetic sentiments toward the CPP, however, were quickly reversed. Shortly after his inauguration, President Eisenhower lifted the naval blockade of Taiwan that had previously prevented Chiang from deploying his Nationalist forces against the Mainland. Beijing, probably fearing that an unconstrained Taiwan would begin preparing for an attack on the Mainland, began shelling the islands of Quemoy and Matsu on 3 September 1954. America most likely perceived this bombardment as a Communist attempt to take control of the offshore islands and a step toward invading Taiwan; furthering Beijing's hopes of becoming a reunified, regional hegemon in the Asian-Pacific region.

The outbreak of this crisis seems to have caught the Eisenhower administration off guard, although Communist Chinese forces had been raiding several Nationalist-held offshore islands since the spring. President Eisenhower felt that the United States was "morally bound" to take necessary action to

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46. Jian Yang, *Congress and U.S. China Policy: 1989-1999* (Hauppauge: Nova Science Publishers Inc., 2000), 55.

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defend Taiwan from the Mainland.[47] And as a response to these attacks, the United States' Seventh Fleet had been deployed twice to the Strait in a show of force, which resulted in the withdrawal of Chinese forces. Thus, up until shortly before the outbreak of this crisis, Washington falsely believed that its deterrence had been, and would continue to be, effective.[48] By sending its naval forces, however, the United States became deeply entangled in a delicate balance between protecting the Nationalists of Taiwan and controlling their newfound sense of security, as well as preventing aggression toward the Chinese Mainland. Chiang was more than eager to use the U.S. military as a shield behind which he could provoke and attack the Mainland in an attempt to reclaim it in the name of the Nationalist party. Taiwan's aggression against mainland China, however, was as contrary to U.S. interests as was a PRC invasion of Taiwan.

The presence of the United States Navy, it seems, effectively thwarted a Communist attempt to reclaim Taiwan, while it also prevented Chiang from acting irresponsibly toward the Mainland. But in what Beijing most likely viewed as yet another move against China, the creation of the Southeast Asia Treaty Organization (SEATO)[49] on 8 September 1954 to limit aggression in Southeast

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47. Dwight D. Eisenhower, "To Walter Bedell Smith," 7 September 1954 (Doc. 1050: Teletype), *The Papers of Dwight David Eisenhower*, http://www .eisenhowermemorial.org/presidential -papers/first-term/documents /1050.cfm. (accessed 16 December 2006).

48. Thomas Stolper, *China, Taiwan*, and the Offshore Islands (New York: M.E. Sharpe, 1995), 23-25.

49. Created by the Southeast Asia Collective Defense Treaty (Manila Pact), which included the United States, Australia, France, New Zealand, Pakistan, the Philippines, and the United Kingdom.

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Asia and the Southwest Pacific further angered Mao, who might have worried that such an organization would actively seek to destroy Communism and help the Nationalists regain control of the Mainland. Tucker posits that Mao strongly believed that American policies, in consort with Chiang, were designed to encircle and isolate China and also to permanently sever Taiwan from the Mainland.[50]

Briggs notes that United States-China relations in the 1950s may have been responsible for the emotional anti-Communism movement, to the severe detriment of any "bipartisan approach towards foreign policy."[51] Whereas the United States by 1949 was tied to the KMT in Taipei, he argues, "it refused even de facto recognition of the new Mainland government and successfully rallied enough votes to exclude the People's Republic from admission to the United Nations." But despite this refusal, he posits, "the Truman administration did not totally embrace the Nationalist Government. Military aid was not immediately forthcoming despite strong congressional criticism."[52] And Ying-mao Kau notes that KMT authoritarianism in the 1950s was often characterized as "predatory authoritarianism," mainly because the party "was so preoccupied with regaining control of the Mainland that it treated Taiwan simply as a stepping stone for recuperating the strength for its return."[53] While one can argue that this might

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50. Tucker, Nancy, ed., *China Confidential: American Diplomats and Sino-American Relations, 1945-1996* (New York: Columbia University Press, 2001), 81.
51. Philip J. Briggs, "Congress and the Cold War: U.S.-China Policy, 1955," *The China Quarterly*, no. 85 (March 1981): 80.
52. Ibid., 81.
53. Ying-mao Kau, "The Power Structure in Taiwan's Political Economy," 290.

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have seemed a better option to the United States than a Communist government, it was at best the lesser of two evils.

U.S. Measures to Support Taipei

By most accounts, the United States seemed to view the idea of Taiwan's independence as detrimental to stability in the region, and therefore deliberately avoided any implication of supporting such sentiments. But, as Chang and He Di note, the United States has maintained its public support for Taiwan's defense, as well as its commitment of political support to upholding stability in the Strait since the 1954-55 crisis. As such, the United States signed the MDT on 2 December 1954, followed by the Formosa Resolution, which Congress enacted on 28 January 1955—authorizing the President to employ the U.S. military in the area of the Taiwan Strait in times of future hostilities.[54]

Facing the threat from mainland China, the MDT was designed to maintain peace and preserve security in the West Pacific area under a common bond of sympathy and mutual ideals to fight side-by-side against imperialist Communist aggression that developed during the Korean War. It sought to declare Washington's and Taipei's sense of unity and common determination to defend themselves against external armed attack, pending the development of a more comprehensive system of regional security.[55]

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54. Chang and He Di, "The Absence of War," 1501.

55. United States and Taiwan, "Mutual Defense Treaty Between the United States and the Republic of China," 2 December 1954, http://www.yale.edu/lawweb/avalon/diplomacy/china/chin001.htm (accessed 10 March 2005).

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The MDT completely ignored China's claim over Taiwan, and Trong Chai notes that "most nations have either remained silent on the Taiwan question or used such forms as 'acknowledging,' 'taking note of,' or 'respecting,' the Chinese position to reject the Chinese demands."[56] Eisenhower submitted the treaty for Senate approval in January 1955, declaring its purpose to be "defensive and mutual in character, designed to deter any attempt by the Chinese Communist regime to bring its aggressive military ambitions to bear against the treaty area."[57] However, as Briggs notes, "Article VI referred only obliquely to the offshore islands by making the provisions of mutual [defense] applicable to 'such other territories as may be determined by mutual agreement.'" [58]

Trong Chai also notes that the treaty stipulates that the parties are to settle "any international dispute in which they may be involved by peaceful means in such a manner that international peace, security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations,"[59] thus declaring the use of force an illegitimate means to effecting political ends. In Article II, the United States and ROK agreed to "separately and jointly by self-help and mutual aid ... maintain and develop their individual and collective capacity to resist armed attack and Communist subversive activities," thus

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56. Trong Chai, "The Future of Taiwan," 1315.

57. Dwight D. Eisenhower, "Special Message to the Senate Transmitting Mutual Defense Treaty Between the United States and the Republic of China." 6 January 1955. The American Presidency Project. http://www.presidency.ucsb.edu/ws/index.php?pid=10427 accessed 16 December 2006).

58. Briggs, "Congress and the Cold War," 86.

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establishing a commitment to ensuring the safety of each party. This commitment, however, was not limited to military means. In Article III, they also agreed to "strengthen their free institutions and to cooperate with each other in the development of economic progress and social well-being" in order to further their individual and collective efforts.[60] And Article V established that "an armed attack in the West Pacific Area directed against the territories of either of the Parties would be dangerous to its own peace and safety," declaring that it would act to meet the common danger, and that "any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations."[61] These articles provide some of the foundational ambiguity under which the trilateral relationship operated.

The treaty defined the protected territories as "the Republic of China, Taiwan and the Pescadores, and granted permission to the [United States] to station naval, air, and land forces "in and about Taiwan and the Pescadores as may be required for their defense,"[62] thus establishing the right of the U.S. military to intervene in the Strait on behalf of Taipei. Some, including Chiang Kai-shek, seemed to believe incorrectly that this protection extended to the offshore islands of Quemoy and Matsu.[63]

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59. United States and Taiwan, "Mutual Defense Treaty Between the United States and the Republic of China."
60. Ibid.
61. Ibid.
62. Ibid.
63. Kwan Ha Yim, *China & the U.S. 1955-63*, 23.

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The United States considered China's shelling of the islands part of a directed military campaign, according to Chang and He Di, partially intended to "probe the strength of the United States security commitment to Quemoy, if not the beginning of an actual effort to seize the island."[64] This perceived aggression toward the United States fueled a push toward—and fostered the support in the Eisenhower administration and Congress to pass—the Mutual Defense Treaty, which essentially gave Eisenhower a "blank check" to use American military forces to protect American interests in the Taiwan Strait. Whether Communist China was probing the United States or simply carrying out standard military and psychological operations against the Nationalists as part of its ongoing civil war, its actions brought the United States closer to Chiang Kai-shek, strengthened the ties between Washington and Taipei, and set the stage for decades of regional tension and conflict.

Secretary of State Dulles had reason to be concerned about instability in the region and probably shared Japan's concerns that Japan itself might be a target of unchecked Communist Chinese aggression. The Seventh Fleet, which had been in the Strait prior to 3 September 1954, did not deter the shelling of Quemoy and Matsu; possibly because its mere presence was not backed by apparent intent toward directly engaging with or defending either China or Taiwan.

But Dulles' position on Taiwan probably was influenced more by his personal convictions than by national or strategic interests. Mosley posits that

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64. Chang and He Di, "The Absence of War," 1501.

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Dulles held Chiang Kai-shek, like South Korean president Syngman Rhee, in very high regard based primarily on religious grounds. He was even quoted as stating, "No matter what you say about [them, they] are the equivalent of the founders of the Church. They are Christian gentlemen who have suffered for their faith. They have been steadfast and have upheld the faith in a manner that puts them in the category of the leaders of the early Church."[65]

Having interviewed Chinese former military personnel who were Commanders at the time of the 1954-55 crisis, Chang and He Di present an alternative view to that presented by the Eisenhower administration on the shelling of Quemoy and Matsu. They note that General Zhang Aiping and Ye Fei both stated in their interviews that China had no intention of taking these islands, but that because the United States had fully endorsed the Nationalist harassment of the Mainland, Mao felt compelled to react against the American efforts to keep Taiwan and China divided.[66]

On 23 July 1954, Wang Bingnan notes, Mao telegrammed Zhou Enlai, stating that "in order to break up the collaboration between the United States and Chiang and to keep them from joining military and political forces, we must announce to our country and the world the slogan of the liberation of Taiwan. It was improper of us not to raise the slogan in a timely manner after the cease-fire in Korea. If we were to continue dragging our heels now, we would be making a

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65. Leonard Mosley, *Dulles: a Biography of Elanor, Allen, and John Foster Dulles and Their Family Network* (New York: Dial Press, 1978), 256.

66. Chang and He Di, "The Absence of War," 1508.

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serious political mistake."[67] While one can debate whether this accurately reflects reality in Beijing at the time or is simply a constructivist version of history, these statements present a strong argument for the power of perceptions. Taken so long after the fact, however, this could also be part of a deliberate disinformation effort to skew history in favor of Communist China.

The MDT must have been a serious concern to Mao, who witnessed how a similar document divided the Korean Peninsula. As Clubb notes, Chou Enlai on 8 December 1954 responded for Beijing to the treaty, stating that "the liberation of Formosa and annihilation of the Chiang Kai-shek traitorous band is entirely within the province of Chinese sovereignty and domestic politics, and no foreign country will be permitted to interfere."[68] But in January 1955, President Eisenhower declared to Congress that "the United States must remove any doubt regarding our willingness to fight, if necessary, to preserve the vital stake of the free world in a free Formosa, and to engage in whatever operations may be required for that purpose."[69] Despite opposition from many different directions, United States policy in the Strait would maintain this steadfast conviction toward the Nationalists for the foreseeable future.

On 29 January 1955, in response to President Eisenhower's assertion that Chinese aggression in the Strait was a threat to the peace and to the United

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67. Wang Bingnan, *Zhongmei Huitan Juinan Huigu* (Beijing, 1985), 5-6, quoted in Ibid., 1508.

68. Chou Enlai, quoted in Clubb, "Formosa and the Offshore Islands," 523.

69. Dwight D. Eisenhower, "Special Message to the Congress Regarding United States Policy for the Defense of Formosa," 24 January 1955, The American Presidency Project, http://www.presidency.ucsb.edu/ws/index.php?pid_10355&st=&st= (accessed 30 November 2005).

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States' security, Congress passed a joint resolution effectively giving the Eisenhower administration "carte blanche" authority to use military force in the Strait, and beyond. The international community, however, did not offer the Nationalists the same level of support. On 31 January 1955, the United Nations Security Council voted to take the issue on as a matter of international security and stability. The United States did not enjoy wide support among its international partners, including New Zealand, Britain, India, France, and Canada; some of which sought a Nationalist withdrawal from at least some of the offshore islands in return for broad international guarantees for the security of Formosa pending final determination of its status.

The United States, most likely at the insistence of Secretary of State Dulles, rejected such proposals, probably intending to hold out for a simple cease-fire that would leave Chiang's forces in place while maintaining the status quo. As it happened, however, the matter was deadlocked because Peking refused to send a delegation to discuss a cease-fire unless it received the seat on the Security Council held by Taipei, and also because of Chiang's refusal to consider either a cease-fire or a withdrawal of Nationalist forces from—and the collateral American position on—the offshore islands. This deadlock resulted in the UN backing off from the issue until matters had a chance to further run their course.[70]

In the end, Communist China insisted that Formosa was a wholly internal matter and that the situation in the Strait was created and maintained by the

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actions of the United States, which—still angry from China's interference in the Korean War—refused to back down in the face of Communist pressure; and the Nationalists, still holding out hope that the United States would support a counter-attack to reclaim the Mainland, maintained an air of high confidence in its eventual victory.

Building upon the 1954 MDT, the Formosa Resolution, signed in January 1955, authorized the President of the United States "to employ the Armed Forces of the United States as he deems necessary for the specific purpose of securing and protecting Formosa and the Pescadores."[71] Although the U.S. Congress later repealed the Formosa Resolution in October 1974, Bellows argues that the repeal did not actually jeopardize the United States' defense commitments to Taiwan because Taipei considers the 1954 MDT to be the cornerstone of the security relationship, and because many in China believe that "a period of long waiting is preferable to a two-China compromise."[72]

President Eisenhower in 1955 expressed his concern about the situation in the Strait and about the uncertainty of peace agreements between the CPP and the KMT when he stated "There seems to be a great deal of misunderstanding about the effect of a 'cease-fire.' The Communists with their continental bases and power of concentrating when and where they choose have

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70. Clubb, "Formosa and the Offshore Islands," 525-528.

71. United States Congress, "Joint Resolution by the Congress," 29 January 1955 (Legislation), 84th Cong., 1st sess., reprinted in *Foreign Relations of the United States, 1955-1957*, Vol. 2, *China* (Washington, D.C.: Government Printing Office, 1986): 163.

72. Thomas J. Bellows, "Taiwan's Foreign Policy in the 1970s: A Case Study of Adaptation and Viability." *Asian Survey* 16, no. 7 (July 1976): 595-96.

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a tremendous advantage over any small island-based air force. Moreover, as long as actual fighting persists anywhere, there is always the danger that some hot bullet will hit a powder keg."[73]

Eisenhower also expressed his concern to Winston Churchill about the potential failure of conventional deterrence in the Strait, stating that "the principal weakness of this policy is that it offers, of itself, no defense against the losses that we incur through the enemy's political and military nibbling. So long as he abstains from doing anything that he believes would provoke the free world to an open declaration of major war, he need not fear the 'deterrent.'"[74] This is indicative of the "salami-slicing" issue that is inherent to a deterrence policy based upon clarity.

Eisenhower emphasized the importance of maintaining a degree of distance in supporting Taipei, stating in January 1955 that the United States must be sure not to get "hooked into any agreement whereby we would have to join in the defense of Quemoy or Matsu just because they were attacked, by a battalion, for example."[75] The United States' European allies may have been concerned about the potential escalation in the Strait, but Eisenhower in February 1955

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73. Dwight D. Eisenhower, "To Henry Robinson Luce," 24 January 1955 (Doc. 1265: Personal letter), T*he Papers of Dwight David Eisenhowe*r, http://www.eisenhower memorial.org/presidential-papers/first-term/documents/1265.cfm (accessed 16 December 2006).

74. Dwight D. Eisenhower, "To Winston Spencer Churchill," 25 January 1955 (Doc. 1267: Correspondence), T*he Papers of Dwight David Eisenhowe*r, http://www .eisenhowermemorial.org/presidential-papers/first-term/documents/1267.cfm (accessed 16 December 2006).

75. United States Department of State, "Memorandum of a Conversation, Washington, January 30, 1955, 6:30p.m.," 30 January 1955 (Memorandum), *Foreign*

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described to General Gruenther (of SACEUR) the complexity of creating an effective deterrent:

> If the solution we adopt should state flatly that we would defend the principal islands of the offshore group (Quemoy and the Matsus), we would now please the Chinese Nationalists, but we would frighten Europe and of course even further infuriate the Chinese Communists.... By announcing this as a policy we would be compelled to maintain in the area, at great cost, forces that could *assure* the defense of the islands.... This defensive problem could be extremely difficult over the long term, and ... [many allies] would believe us unreasonable. On the other hand, as we consider the problem of defending Formosa, we understand how important [it is] to the morale of the Chinese forces on that island. Their willingness to fight and keep themselves in a high state of readiness for fighting is one of the keys to the solution.[76]

He further emphasized the importance of an ambiguous policy in describing the wording of the Formosa Resolution, to which "the wording, as to areas outside Formosa and the Pescadores is vague. In view of what I have just said, you can understand why this is so."[77]

In March 1955, President Eisenhower responded to a concern among members of his Cabinet that the United States would soon "actually be fighting" in the Strait, stating that "it is, of course, entirely possible that this is true, because the Red Chinese appear to be completely reckless, arrogant, possibly over-confident, and completely indifferent as to human losses." He seems to have understood that keeping both the Chinese Communists and Nationalists in

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Relations of the United States, 1955-57, Vol 2, *China* (Washington, D.C.: Government Printing Office, 1986): 175.

76. Dwight D. Eisenhower, "To Alfred Maximillian Grunther," 1 February 1955 (Doc. 1278: Correspondence), T*he Papers of Dwight David Eisenhowe*r, http://www .eisenhowermemorial.org/presidential-papers/first-term/documents/1278.cfm (accessed 16 December 2006).

77. Ibid.

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line depended upon not providing too great a level of clarity as to the United States' intentions in the Strait and how far it was willing to go to protect Taiwan. Eisenhower had, in fact, called "quite unrealistic" proposals to restate the U.S. position in the Strait "so clearly and so definitively that the Chinese Communists cannot possibly misunderstand" that the U.S. would support Taipei "in their resistance to ... attack wherever and by whatever means are most appropriate to defend these islands."[78]

1958 CRISIS: ROUND TWO

A 1956 National Intelligence Estimate presented the United States Intelligence Community's assessment of mainland China's capabilities and probable courses of action through 1960. While it stated that Communist China would "suffer from military weaknesses, particularly air defense deficiencies and lack of an adequate indigenous armaments base," it also assessed that if Communist China became convinced that the U.S. "would not assist in defense of the [offshore] islands with its own forces, or react in strength elsewhere, they probably would attempt to seize them."[79] While this suggests an inherent value in signaling intentions, however, U.S. policymakers still needed to constrain Chiang's desires for action on Quemoy and Matsu. Since the 1954-55 crisis,

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78. Dwight D. Eisenhower, "To George Magoffin Humphrey," 29 March 1955 (Doc. 1369: Correspondence), T*he Papers of Dwight David Eisenhowe*r, http://www .eisenhowermemorial.org/presidential-papers/first-term/documents/1369.cfm (accessed 16 December 2006).

79. National Intelligence Estimate, "Chinese Communist Capabilities and Probable Courses of Action through 1960," 5 January 1956, (NIE 13-55), Central Intelligence Agency, National Intelligence Council, reprinted in *Foreign Relations of the*

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Nationalist forces on Quemoy had been continually engaging in raids on the Mainland, and Communist China finally reacted on 23 August 1958. Resuming the shelling of Quemoy and Matsu from August through October 1958, the Mainland used patrol boats to blockade Nationalist resupply efforts of forces on the offshore islands, threaten American naval ships, and declare its intent to "liberate" Taiwan.

As a protective measure, President Eisenhower again deployed the Seventh Fleet to the Strait as escorts to the Nationalist ships that were resupplying forces on Quemoy and Matsu, and U.S. naval aircraft helped Chiang reestablish control of the region's airspace following Dulles' declaration that America would take "timely and effective action to defend Taiwan."[80] In addition, the United States was reported as having been contemplating nuclear strikes against China; targeting Shanghai, Guangzhou, and Nanjing.[81] These reports, however, remained unsubstantiated.

President Eisenhower on 4 September 1958 stated that events had not yet warranted the employment of the U.S. Armed Forces, but that he would not "hesitate to make such a finding if he judged that the circumstances made this necessary to accomplish the purposes of the Joint Resolution," and that "the securing and protecting of Quemoy and Matsu have increasingly become related

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United States, 1955-1957, Vol. 3, *China* (Washington, D.C.: Government Printing Office, 1986): 232-33.

80. Federation of American Scientists, "Second Taiwan Crisis: Quemoy and Matsu Islands," 20 July 1999, http://www.fas.org/man/dod-101/ops/quemoy_matsu-2.htm (accessed 10 October 2001).

81. Ibid.

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to the defense of Taiwan."[82] The conflict again came to a conclusion after the intervention of the United States Navy, and in a fashion similar to the 1954-55 crisis; without direct U.S. military intervention against either side.

Leading up to this period of crisis, Sino-Soviet relations had become strained. Krushchev's denunciation of Stalin, the Soviet response to uprisings in Poland and Hungary, as well as their reconciliation with Yugoslavia and minimal reaction to events in Suez in 1956, and Moscow's openness to a relaxation of tension with the United States in 1957, were all discouraging signs to Mao.[83] This period also coincided with what is often considered one of China's greatest economic disasters—the "Great Leap Forward" (GLF), which shunned heavy, commercial machinery and emphasized communal labor to produce iron and steel in an attempt to surpass Great Britain using only the collective will of the Chinese people. The overall spirit of the GLF was self-reliance. Unfortunately for the Mainland, however, it was practically a total failure, largely resulting in an exaggerated, and false, sense of accomplishment, potential, and power.

American support to Taiwan probably encouraged many of the actions that led to the 1958 crisis. Though Peking in 1956 and 1957 sought to improve relations with the United States, Washington did little to help the efforts, and often actively damaged the already weak relationship through actions such as staging nuclear-capable Matador missiles on Taiwan—although it is not clear, as

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82. John Foster Dulles, "Authorized Statement by the Secretary of State Following His Review with the President of the Situation in the Formosa Straits Area," 4 September 1958, The American Presidency Project, http://www.presidency.ucsb.edu

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noted above, whether the nuclear warheads themselves ever were physically located on Taiwan. These two years seem to represent a period of significant missed opportunities for reducing tensions.

Chiang constantly took advantage of American support by continuing to build up Nationalist forces on Quemoy and Matsu, conducting offensive-oriented exercises in the Strait, and hosting high-ranking American official visits on the offshore islands. By the completion of the military buildup, Chiang had manufactured an artificial tie between the defense of the offshore islands and the protection of Taiwan, placing the United States in a position wherein, if China attacked the islands, America would have to either (1) become militarily involved and subsequently forced to carry the conflict into China or (2) let the islands and the Nationalist forces on them fall to the PRC, and risk losing Taiwan as well as political support at home.

The Eisenhower administration realized that any Chinese attack on the offshore islands could not be considered or held to a "limited operation."[84] When Taipei and Beijing welded the issue of the offshore islands to Formosa and the Pescadores, they interposed a strong roadblock to any shift in American policy; effectively closing the door on a "two-Chinas" solution.[85] When China resumed shelling of the offshore islands in August 1958, none of America's allies supported United States intervention. But Chiang again turned to the United

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/ws/index.php?pid=11226&st=&st1= (accessed 28 September 2006).

83. Gurtov, "The Taiwan Strait Revisited," 49.

84. Ibid., 70.

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States for help, arguing that "at long last the Communists were making their move, and the capture of the islands would be the first stage of invading Taiwan."[86] It seems that by the 1958 crisis, relations between China and the USSR had strained to a point where Mao could no longer rely on the Soviets for military support, though Mao was not ready to go it alone and was still somewhat dependent upon Soviet support.

The 1950s was a good decade for Taiwan in many respects. As Walker notes, from 1949-1958, the Nationalists "made substantial strides in rebuilding their government, morale, and symbolic appeal." And whereas 1951 and 1952 were "years of reform," 1953-1957 was a period of adjustment and planning, and in "1957 and 1958 the cumulative effect of domestic reforms and United States aid brought a burst of flowering in economic and cultural fields."[87] In stark contrast to Taiwan's economic development at the start of the 1960s, China's "Great Leap Forward" of 1958-1962 represented a period of economic devastation. For the most part, however, economic conditions in China did not have the same impact as they did in Taiwan. Whereas China's CPP was able to manipulate its resources to make up for its problems, the KMT had to work within its more limited economic scope to compensate for any losses.

Chang posits that Taiwan's economic progress would not have been possible without massive U.S. military and economic support. "American

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85. Clubb, "Sino-American Relations," 18.
86. Mosley, *Dulles*, 439.
87. Richard L. Walker, "Taiwan's Development as Free China," *Annals of the American Academy of Political and Social Science* 321 (January 1959): 122.

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assistance to Taiwan during the five years after 1949 was aimed at economic support and rehabilitation to rid the economy of war damage.... From 1956 to 1960, U.S. aid was geared to defense and economic development."[88] But by 1961, Ta Jen Liu notes, U.S. aid shifted to "fostering private enterprise, promoting exports, and terminating congressional assistance," and by mid-1965, Taiwan was economically self-sufficient and able to "go it alone."[89]

1962 CRISIS: CHIANG'S CHANCE TO TURN THE TIDE

As early as March 1962, Chiang Kai-shek warned that "an invasion of the Mainland may come at any time,"[90] setting the tone for a new crisis in the Strait. The events of 1962-63 were relatively benign in comparison to previous China-Taiwan conflicts—largely because it was averted before it was able to escalate to military action. It is also very significant, however, because the predominant threat to regional stability had shifted from one side of the Strait to the other. After the failure of the Great Leap Forward, China was in a state of famine, chaos, and turmoil. The Chinese economy had all but collapsed, and agricultural production had suffered a severe loss.[91]

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88. Chang, "U.S. Aid and Economic Progress in Taiwan," 152.

89. Ta Jen Liu, *U.S.-China Relations: 1784-1992* (Lanham: University Press of America, 1997): 279.

90. John F. Kennedy, "The President's Press Conference of March 29, 1962," 29 March 1962, The American Presidency Project, http://www.presidency.ucsb.edu/ws/index.php?pid=8573&st=mainland&st1= (accessed 22 December 2005).

91. "China: 1949-1972," *CNN Perspectives Presents: Cold War,* VHS Videocassette, Vol. 5, Chap. 15 (Burbank, CA: Warner Home Video, 1998).

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In its weakened state, China appeared to be in an ideal position for the KMT to invade and re-occupy the Mainland. In a conversation with CIA director John McCone on 5 June 1962, Chiang stated that his sole purpose since 1949 had been to reclaim mainland China. Chiang declared "that conditions on the Mainland had so deteriorated that operations on a reasonable scale, if properly executed, would be supported by the populace and would succeed in establishing control of an area which by further efforts on a larger scale would expand over all of South China and would ultimately topple the Communist regime." He further asserted that this belief "was shared by all followers on Taiwan, giving rise to almost irresistible pressure upon him to act."[92] Chiang clearly considered this the opportune time to execute his long-awaited plan to return to the Mainland.

Chiang asserted that "under no circumstances would he undertake a reckless operation or one which did not offer a reasonable chance of success," nor would he "undertake any formal military operations without consultation and concurrence with the United States Government." He did, however, speak of his "dilemma with regard to obtaining United States Government approval for his actions, indicating that this area always presented him with an uncertainty and therefore foreclosed proper dynamic planning of operations."[93] To this end,

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92. United States Department of State, "Telegram from the Central Intelligence Agency Station in Saigon to Director of Central Intelligence McCone," 7 June 1962 (Doc. 116: Telegram), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII/101to150.html (accessed 15 December 2006).

93. Ibid.

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President Kennedy stated on 27 June 1962 that the 1954 MDT still prohibited Taiwan from taking action without the agreement of the United States, and implied that Chiang should not make statements indicating his intention to regain a foothold on the Mainland.[94]

A CIA study presented to Chiang in January 1962 concluded that the Nationalists "had [an] insufficient attack force for sea lift, air cover, supply and everything that make an invasion of a continent possible," and that the Mainland would probably try to drag the United States into it, as well.[95] But Chinese Communists by June that year had started moving troops in what appeared to be possible offensive posturing for an attack against the offshore islands, although whether their intentions were offensive or defensive was not clear.[96] In either event, a U.S. State Department memorandum noted "clearcut disadvantages in making any firm decisions on [U.S] defense of the offshore islands," noting that

> continued ambiguity as to U.S. intentions coupled with a military posture capable of interpretation by the Chinese Communists as preparatory to defense of the island, while offering [Taiwan] no exploitable assurances, combines the advantages of plausible deterrence and preparedness with maximum flexibility and maneuverability for the U.S. It avoids a sharp worsening of [U.S.-Taiwanese] relations and possibly serious domestic

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94. John F. Kennedy, "The President's Press Conference of June 27th, 1962," 27 June 1962, The American Presidency Project, http://www.presidency.ucsb.edu/ws/index.php?pid=8735&st=mainland&st1= (accessed 22 December 2005).

95. United States Department of State, "Memorandum of Conversation," 4 February 1963 (Doc. 166: Memorandum), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII/151to197.html (accessed 15 December 2006).

96. United States Department of State, "Memorandum From the Director of the Bureau of Intelligence and Research (Hilsman) to Secretary of State Rusk," 18 June 1962 (Doc. 119: Memorandum), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII/101to150.html (accessed 15 December 2006).

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> U.S. repercussions, while keeping the Communist Chinese seriously in doubt as to the ultimate risks involved in a grab for the offshore islands.[97]

In addition to this policy, an unsigned draft statement entitled "Basic National Security Policy" from June 1962 called for a "stick and carrot" approach, declaring that the United States "should leave ajar possibilities for expanding commercial, cultural, and other contacts with Communist China."[98] This statement further illustrates the United States' interest in playing the pivotal role against both sides of the Strait during this period.

After Chiang's preparations for an attack on the Mainland were discovered and reported, President Kennedy assured Mao through the Warsaw Talks on 23 June 1962 that the United States would not support a Nationalist assault on the weakened PRC.[99] When Chiang expressed concern after receiving word of Kennedy's assurances to Communist China and inquired whether this was correct, however, the Embassy in Taiwan responded that it was not correct; that what the United States presented to Communist China was simply "a mutual renunciation of force."[100] But the Embassy also told Chiang that if the time were

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97. United States Department of State, "Memorandum From the Director of the Bureau of Intelligence and Research (Hilsman) to the Assistant Secretary of State for Far Eastern Affairs (Harriman)," 21 June 1962 (Doc. 125: Memorandum), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII/101to150.html (accessed 15 December 2006).

98. United States Department of State, "Editorial Note," Undated (Doc. 129: Note), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII/101to150.html (accessed 15 December 2006).

99. Tucker, *China Confidential*, 176.

100. United States Department of State, "Telegram From the Embassy in the Republic of China to the Department of State," 4 July 1962, (Doc. 139: Telegram),

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to come when both the U.S. and Taiwanese Governments "mutually decided conditions [were] suitable for invasion, that [would] create a new situation."[101] While this may have been Chiang's most opportune moment for victory, America's lack of support for Chiang's aggressive plans again demonstrated that it was interested only in maintaining stability in the region.

By January 1963, the CIA had assessed that ideological conflicts between Beijing and Moscow had, for all practical purposes, caused a Sino-Soviet split, and that most of the world had already considered Communist China and the Soviet Union "two separate powers whose interests conflict on almost every major issue."[102] A National Intelligence Estimate in May 1963 reaffirmed the severity of the split, stating that "Peiping's dispute with Moscow springs from basic issues of incompatible national and party interests, and the Chinese Communists show no signs of relenting."[103]

If Taiwan had hoped to take advantage of the Mainland's weakened condition, it faced a closing window of opportunity to do so before China

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Foreign Relations of the United States, 1961-1963, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII/101to150.html (accessed 15 December 2006).

101. United States Department of State, "Telegram From the Embassy in the Republic of China to the Department of State," 5 July 1962 (Doc. 140: Telegram), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII/101to150.html (accessed 15 December 2006).

102. United States Department of State, "Memorandum by the Deputy Director for Intelligence (Cline)," 14 January 1963 (Doc. 163: Memorandum), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII/151to197.html (accessed 15 December 2006).

103. National Intelligence Estimate "Problems and Prospects in Communist China," 1 May 1963 (NIE 13-63), (Doc. 176: Estimate), reprinted in *Foreign Relations of*

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recovered from the damage of the Great Leap Forward. Responding to a question regarding recent discussions that Chiang might be preparing to invade mainland China, President Kennedy in May 1963 reiterated his statement regarding the United States' position from a year earlier—that the 1954 MDT prevented Taipei from taking unilateral action, and that Washington did not support such action.[104]

By September 1963, U.S. diplomatic communications from Taiwan signified that near-term indicators of plans or preparations from Taiwan for military or paramilitary actions were no longer apparent, "except for small team probes," as it had been conducting in the recent past, and that the "atmosphere in this respect [was] much more relaxed than in the spring of 1962" or even early 1963.[105] By this time, the KMT's vision for reclaiming the Mainland by force seemed to dwindle. In a discussion with McGeorge Bundy, General Chiang Ching-Kuo—Chiang Kai-shek's son—maintained Taipei's desire to overthrow the Communist regime, but now admitted that "the solution to the problem must be more political than military," including options such as "political warfare,

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the United States, 1961-1963, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII/151to197.html (accessed 15 December 2006).

104. John F. Kennedy, "The President's Press Conference of May 22nd, 1962," 22 May 1962, The American Presidency Project, http://www.presidency.ucsb.edu/ws/index.php?pid=9233&st=mainland&st1= (accessed 22 December 2005).

105. United States Department of State, "Telegram From the Embassy in the Republic of China to the Department of State," 6 September 1963, (Doc. 184: Telegram), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII/151to197.html (accessed 15 December 2006).

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psychological warfare, diplomatic action and paramilitary operations such as maritime raids on the coast and airdrops of military teams."[106]

General Chiang admitted to President Kennedy in September 1963 that the Nationalist raids on the Mainland "had not seen much success" among these operations, which Kennedy also observed were "not very significant"—in fact, it appears the raids suffered an average 85-percent fatality rate, with some reaching 100-percent—General Chiang maintained that there had been some tangible results in that, for example, ten-man units were able to involve 3,000 Communist troops.[107] This was to imply that, while it might not create direct military results, this type of response drew from Communist China's military and economic resources and "achieved their purposes: i.e., to cause trouble on the Mainland, to raise the morale of the people who hope for liberation, and to upset the organization of the army."[108]

By this time, the U.S. Ambassador in Taiwan noted that Nationalist "preparations for military action against the Mainland" seemed to be "in a prolonged quiescent period,"[109] and the threat of conflict escalation had

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106. United States Department of State, "Draft Minutes," 10 September 1963 (Doc. 185: Meeting minutes), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII /151to197.html (accessed 15 December 2006).

107. United States Department of State, "Memorandum of Conversation," 11 September 1963 (Doc. 186: Meeting), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history /frusXXII/151to197.html (accessed 15 December 2006).

108. Ibid.

109. United States Department of State, "Letter From the Ambassador to the Republic of China (Wright) to the Assistant Secretary of State for Far Eastern Affairs (Hilsman)," 19 December 1963 (Doc. 197: Letter), *Foreign Relations of the United*

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diminished to a point which this research considers the termination of the crisis. While the Nationalists probably could not have successfully carried out its plans, its determination might have dominated over pragmatism. Throughout this crisis, and while maintaining U.S. support for Taiwan, President Kennedy probably felt that the United States-China relationship was somewhat irrational, since he apparently believed that Communist China was "here to stay," and not simply a passing phase.[110] Keeping China out of the United Nations, however, was seen by many as an essential factor in containing Communism, further prompting Kennedy's commitment to prevent recognition of Beijing.

Although Kennedy was killed in November 1963, Roger Hilsman, who was Assistant Secretary of State for Far Eastern Affairs, delivered a speech the following month that Kennedy had previously approved,[111] emphasizing the United States' willingness to add flexibility to its policy of firmness toward Communist China; arguing that Beijing's overthrow was unlikely because "police states of such a far-reaching nature are notoriously invulnerable to uprisings by an inadequately armed populace," and because Communist China's leaders "have shown a tendency to pull back and become pragmatic in the face of serious internal or external resistance."[112]

States, 1961-1963, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state/history/frusXXII/151to197.html (accessed 15 December 2006).

110. William Bueler, *U.S. China Policy and the Problem of Taiwan* (Boulder: Colorado Associated University Press,1971): 43.

111. George Washington University, "Interview with Roger Hilsman," 8 June 1998, *National Security Archives,* http://www.gwu.edu/~nsarchiv/coldwar/interviews/episode-11/hilsman3.html (accessed 23 December 2006).

112. United Stated Department of State, "Letter from the Assistant Secretary of State for Far Eastern Affairs (Hilsman) to the Representative to the United Nations

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This crisis seemed to have little or no effect on either the United States-Taiwan, or the United States–China relationship. Taiwan was still America's card to play against China, and was too valuable to reprimand for this potential, yet unfulfilled act of aggression toward the Mainland. Even if the United States had allowed Chiang to carry out his plans, however, is it not certain that he would have been successful, even with China in its weakened state. While it marked the apparent end of Taiwan's goal of reclaiming the Mainland by force, this incident also served as yet another example of America's commitment to maintaining stability and peace in the region.

SUMMARY

This chapter illustrated the political, military, economic, and social factors that affected power, alliances, and security in the Taiwan Strait up to the early 1960s. It also discussed the three primary crises in the Strait between 1954 and 1963 and the United States' response to each. These crises demonstrated the complex dynamics of the trilateral security relationship in the Strait as tensions remained high between Taiwan and the Mainland, with the United States maintaining a delicate balance of "deliberate ambiguity." Throughout these crises, the United States faced the task of simultaneously shielding Taiwan from Communist Chinese hostility while acting as a restraint to preventing Chiang's Nationalists from mounting an aggressive campaign against Mao's Communists.

(Stevenson)," 19 December 1963 (Doc. 196: Letter), *Foreign Relations of the United States, 1961-1963*, Vol. 22, *China; Korea; Japan*, http://www.state.gov/www.about_state

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The record shows that the ROC clearly depended upon the United States for military equipment, training, and support throughout this period. Even with modern equipment, the Nationalist forces were inadequate to either defend against, or conduct an offensive attack upon, the Communist forces on the Mainland. The PRC limited its military operations to the offshore islands, and was either unwilling or unable to mount an invasion of Taiwan with the U.S. Navy operating in the Strait. While the West had grain shipments as a lever against mainland China in the early 1960s, there appear to have been very few "carrots" with which to leverage mainland China during the 1954 and 1958 crises; it is interesting to note, however, that the empirical data does not seem to indicate that the United States attempted to use its economic lever against the Mainland in later years.

While the PRC was gaining diplomatic recognition from an increasing number of states, the ROC also maintained diplomatic relations with many states. Not all allies are equal, however, and few states could replace or equal the political, economic, or military influence of the United States upon Taiwan. While Communist China continued to receive support from the Soviet Union at various levels, it appears their relationship was not as sound as many seemed to believe at the time. Ideological and political disagreements between Peiping and Moscow resulted in heightened tensions and lowered levels of trust; the Soviets maintained an ever-growing distance between itself, the PRC, and the United States. In 1963, as Sino-Soviet relations were waning and as France adopted

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/history/frusXXII/151to197.html (accessed 15 December 2006).

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diplomatic recognition of the Mainland, Peking adopted a shift in foreign policy, proclaiming that it should "lean toward the intermediate zone"; forming a united front with any state—other than the United States—that it could have as an ally in order to replace the economic support it once received from Moscow.[113]

After 1963, the dynamics in the Strait continued to change, although the ROC-PRC relationship remained acrimonious. Chapter VI will illustrate these changes, as well as illustrating the same issues noted in this chapter, but continuing through the Taiwan Strait Crisis of 1995-96. This will cover the remainder of the period under study in this research, bringing the dissertation to the final chapter.

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113. Clubb, "Sino-American Relations and the Future of Formosa," 18.

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CHAPTER VI

SHIFTING DYNAMICS IN THE STRAIT: 1963-1996

Chapter V discussed the political, military, economic, and social factors that affected power, alliances, and security in the Taiwan Strait through the early 1960s. This chapter is a continuation of that discussion, and it illustrates a turning point in the United States-China-Taiwan relationship. It highlights the shifting dynamics in the trilateral relationship that followed the 1962 crisis through the 1995-96 crisis, which disrupted over 30 years of relative stability in the Strait, and it includes the key documents that helped to re-write the trilateral relationship. Each of these issues are important in understanding the role of holistic pivotal deterrence in the region.

THE POWER SHIFT BETWEEN CRISES

For more than three decades following the 1962 crisis, Sino-American relations seemed to grow closer as the goal of the Nationalists shifted from regaining control of mainland China to gaining independence from the Mainland altogether. The PRC, however, maintained its position that Taiwan should not seek independence and that the matter was an internal domestic issue; not an international one. But for the United States, the matter remained a thorn in the side of policymakers and interest groups, each seeking to further their own agendas.

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Plummer notes that The United States adopted "a new policy of reducing the size of the armed forces" of Taiwan in 1969. He notes that "U.S. military advisors have long urged a reduction in the size of the 600,000-man force sometimes described as 'too large for the defense of Taiwan and too small for an invasion of the Mainland."[1]

In the late 1960s and early 1970s, Garver argues, there was a substantive relationship between Taiwan and the Soviet Union,[2] but that as long as the United States was

> willing to continue its role as guarantor of Taiwan's security, there [was] no impelling need for Taiwan to seek a substantial, or a military, rapprochement with the Soviet Union. Were the [United States], one way or another, to abandon its role as Taiwan's protector, Taiwan's situation would be different.... At some level, however, ties between the Soviet Union and Taiwan would become counterproductive ... they would provoke the PRC to adopt a more militant position towards Taiwan, and would begin to scare off investors.[3]

But mainland China's relations with the Soviet Union had worsened by the late 1960s, according to Barnett, with the Soviet Union replacing the United States as China's "principal enemy"; leading Mao to explore improving relations with the United States as a counterweight to the Soviet Union.[4]

China's Cultural Revolution, which lasted from 1964 to 1966, provided numerous opportunities for exploitation. Mao's policy of turning against both

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1. Mark Plummer, "Taiwan: Toward a Second Generation of Mainland Rule," *Asian Survey* 10, no. 1 (January 1970): 23.
2. John Garver, "Taiwan's Russian Option: Image and Reality," *Asian Survey* 18, no. 7 (July 1978): 757.
3. Ibid., 760.
4. A. Doak Barnett, *China Policy: Old Problems and New Challenges* (Washington, D.C.: Brookings, 1977): 3-4.

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intellectualism and the Party bureaucracy resulted in governmental disorganization and public unrest, although the PRC's economy seemed to be holding fairly steady in 1966, according to a National Intelligence Estimate produced at the time.[5] Uhalley notes, however, that Taiwan's response in 1967 was one of "praiseworthy restraint," stating that "there has been an almost surprising minimum of insistence on taking advantage of the Mainland turmoil by means of an armed attack."[6] He presents the possibility that "the Nationalists have accurately assessed the prospects of American support, without which any return is impossible," arguing that, in the end, "the renaissance has been a clear-cut failure."[7]

Chiang Kai-shek by 1967 started showing clearer signs of backing away from the idea of reclaiming the Mainland by force and began to adopt a more pragmatic approach to the situation, stating in his New Year's Day speech that "political action is a more effective facet of the war at this stage."[8] This was a significant departure from his previous rhetoric, but one that Chiang probably viewed as a necessary measure to maintain the support of the United States, as well as to maintain credibility with the newest generation of Taiwanese, who had no memory or history of life on the Mainland and could not understand or support the historical basis for armed conflict with China. And by August 1968, Taipei

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5. National Intelligence Estimate, "The Chinese Cultural Revolution," 25 May 1967 (NIE 13-7-67) Central Intelligence Agency, National Intelligence Council (Approved for Release May 2004): 8.

6. Stephen Uhalley, Jr., "Taiwan's Response to the Cultural Revolution," *Asian Survey* 7, no. 11 (November 1967): 824.

7. Ibid., 824, 827.

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finally realized Washington's concern that the Nationalists' armed forces had grown "larger than necessary for the defense of Taiwan and [were] imposing an increasing burden on its economic development given declining U.S. military assistance and the cessation [in 1966] of grant economic assistance."[9]

This situation lent impetus to U.S. measures to reduce its military presence in the region, and to take a more negative position toward Nationalist guerrilla anti-Communist activities; emphasizing the "undesirability of any hostile action even on [a] very limited scale," such as a mid-July 1969 raid against Chinese Communists' boats off the coast of Fukien.[10] And by late 1969, the United States informed Taiwan that it was "necessary to modify [the] Taiwan Strait patrol" by only manning it "on an intermittent basis as Commander Seventh Fleet can make forces available for this purpose."[11] While this reduction did not remove the U.S. Navy's presence altogether, it obviously was not in Taipei's interests, as it had already related its concern that the Chinese Communists were bound to strike, and this would weaken the Nationalists' relative position.

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8. *China Post* (2 January 1967), 4, in Stephen Uhalley, "Taiwan's Response to the Cultural Revolution," *Asian Survey* 7, no. 11 (November 1967): 824.

9. United States Department of State, "Memorandum From Richard L. Sneider of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)," 25 January 1969 (Doc 1: Memorandum), *Foreign Relations of the United States, 1969-1976*, Vol. 17, *China, 1969-1972* (Washington, D.C.: Government Printing Office, 2006): 1.

10. United States Department of State, "Telegram from the Embassy in the Republic of China to the Department of State," 4 July 1969 (Doc 16: Telegram), *Foreign Relations of the United States, 1969-1976*, Vol. 17, *China, 1969-1972* (Washington, D.C.: Government Printing Office, 2006): 43.

11. United States Department of State, "Telegram from the Department of State to the Embassy in the Republic of China and Commander, U.S. Taiwan Defense Command," 23 September 1969 (Doc 34: Telegram), *Foreign Relations of the United*

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The next several decades would bring great change in the region. From 1952 to 1974, as Bellows notes, Taiwan shifted from a principally agricultural country to one with a diversified agricultural and industrial base, with an emphasis on foreign trade. In fact, he argues, Taiwan's economic position and its emphasis on foreign trade became a major factor in the ROC's survival.[12] Taiwan adopted a more flexible foreign policy in 1971, and as of 1973 it "had diplomatic relations with only one of [its] top ten trading partners; the United States," but its trade with West Germany tripled between 1972 and 1975. Even after Japan recognized the PRC in September 1972, Bellows notes that "Taipei and Tokyo staffed organizations in the opposite capitals which were responsible for practically the identical work previously handled by the embassies."[13]

Between 1953 and 1988, as Chan and Clark note, Taiwan "accomplished one of the most rapid and sustained rates of economic growth in the world, producing an average annual increase of 6.2 percent in GNP per capita. Consequently, it was transformed from a poor agricultural economy with an income per capita of $100 [USD] to an industrial and urban economy with an income per capita of $7,500." This was due largely to export-led growth, and resulted in Taiwan developing its economic independence.[14] Without this growth, Taiwan would have had much more trouble maintaining its international standing.

States, 1969-1976, Vol. 17, *China, 1969-1972* (Washington, D.C.: Government Printing Office, 2006): 88.

12. Bellows, "Taiwan's Foreign Policy in the 1970s", 598.

13. Ibid., 605-07.

14. Steve Chan and Cal Clark, "Economic Growth and Popular Well-Being in Taiwan: A Time-Series Examination of Some Preliminary Hypotheses," *The Western Political Quarterly* 44, no. 3 (September 1991): 561.

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THE 1970S: SHIFTING RELATIONS

This decade was more about political, than military, power for the trilateral security relationship. But whereas the United States had already expressed its interest in improving ties with the PRC, the decade did bring some difficulty for Taiwan. It was becoming more difficult for Washington to maintain its support for Taipei as Beijing was recovering from "the violent phase of the Cultural Revolution," which had previously "halted the trend toward increased international support" for Communist China.[15] The Nixon administration made a historic gesture by removing some travel barriers with China in 1970, and referred to the Mainland as "the People's Republic of China" in 1971 for the first time; proposing a more serious dialogue with Beijing.[16] This was an important period also because the United States announced new, relaxed trade policies with China.[17] Washington had publicly started to shy away from Taipei, illustrated by such acts as Nixon's visit to Beijing and the Shanghai Communiqué in 1972, announcing the termination of the Mutual Defense Treaty in 1978, and U.S. diplomatic recognition of the PRC in 1979; each described below.

Chen Qimao notes that Taipei faced another round of humiliation when the United Nations on 25 October 1971 passed Resolution 2758, which some argue endorsed the legitimate rights of the PRC in the UN, and also endorsed

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15. United States Department of State, "Draft Response to National Security Study Memorandum," 16 February 1971 (Doc 105: Position Paper), *Foreign Relations of the United States, 1969-1976*, Vol. 17, *China, 1969-1972* (Washington, D.C.: Government Printing Office, 2006): 259-60.

16. Sheldon L. Appleton, "Taiwan: The Year it Finally Happened." *Asian Survey* 12, no. 1 (January 1972), 32-33.

17. Ibid.

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China's sovereignty over Taiwan.[18] It is relevant to note, however, that the actual wording of the resolution makes no such endorsement. Rather, it simply restored all rights to the PRC, and recognized its representatives "as the only legitimate representatives of China to the United Nations" and expelled Chiang's representatives from the UN and "all organizations related to it."[19] It did not, however, directly mention Taiwan.

During a conversation with PRC Prime Minister Chou Enlai in July 1971, Henry Kissinger emphasized the difference in the United States' perspective between 1954 and 1971, stating that "in 1954, Secretary Dulles believed that it was America's mission to fight Communism all around the world and for the U.S. to be the principal force, to engage itself in every struggle at every point of the world at any point of time. President Nixon operates on a different philosophy. [The United States does] not deal with Communism in the abstract, but with specific Communist states on the basis of their specific actions toward us, and not as an abstract crusade."[20]

The United States was not the only actor whose perspectives on Communist China had changed during this period; the United Nations in October 1971 voted to give the ROC's seat to the PRC. This drove ROC Vice Foreign

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18. Chen Qimao, "The Taiwan Issue and Sino-U.S. Relations: A PRC View," *Asian Survey* 27, no. 11 (November 1987): 1166.

19. United Nations General Assembly, Twenty-sixth Session, "Restoration of the Lawful Rights of the People's Republic of China in the United Nations," 25 October 1971, http://daccessdds.un.org/doc/RESOLUTION/GEN/NR0/327/74/IMG/NR032774.pdf?OpenElement (accessed 3 September 2006).

20. United States Department of State, "Memorandum of Conversation," 9 July 1971 (Doc 139: Transcript), *Foreign Relations of the United States, 1969-1976*, Vol. 17, *China, 1969-1972* (Washington, D.C.: Government Printing Office, 2006): 377.

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Minister Yang to declare to Chiang Kai-shek that "it is of paramount importance to issue in the near future a formal declaration to the world that the government on Taiwan is entirely separate and apart from the government on the Mainland, [and that] the declaration should prescribe a new designation for the government here, namely "the Chinese Republic of Taiwan.'"[21] Although there is no indication that Chiang supported this view, the timing of the UN vote "became a source of concern" for Washington, as President Nixon and Henry Kissinger were planning their trip to mainland China to establish a joint communiqué, as described below.[22]

Prior to continuing with this chapter, the author would like to emphasize that while this section focuses on the diplomatic efforts—communiqués and other legislation—directly related to the trilateral relationship, there were many other issues taking place. Each of these elements is important, however, because they demonstrate the foundation and development of the United States' relations with the PRC.

1972 Shanghai Communiqué

The Nixon administration in 1972 reached a breakthrough in Sino-American relations, establishing formal, high-level contacts with Beijing for the

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21. United States Department of State, "Telegram From the Embassy in the Republic of China to the Department of State," 30 November 1971 (Doc 174: Telegram), *Foreign Relations of the United States, 1969-1976*, Vol. 17, *China, 1969-1972* (Washington, D.C.: Government Printing Office, 2006): 600.

22. United States Department of State, "Editorial Note," Undated (Doc 167: Note), *Foreign Relations of the United States, 1969-1976*, Vol. 17, *China, 1969-1972* (Washington, D.C.: Government Printing Office, 2006): 573.

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first time since 1949. While the United States had not yet reestablished official diplomatic relations with the PRC, this was a unique opportunity for establishing trade, cultural, academic, and other exchanges at levels that were unprecedented in over 25 years. Nixon's trip to China in 1972 "maximized the immediate impact of the opening" of Sino-American relations, demonstrating "in a highly visible way that [the United States] wished to end the two-decade-old pattern" of confrontation and, even if not ready to offer full diplomatic recognition of the PRC, was "ready at least to begin the process of normalization."[23]

President Nixon, at the invitation of Premier Chou Enlai, met in late February 1972 with Communist Chinese leaders in Shanghai to discuss the state of relations between the two countries and to establish the Joint Communiqué between the People's Republic of China and the United States of America—commonly known as the "Shanghai Communiqué." In this document, the Chinese denounced hegemony, power politics, and Chinese superpower aspirations, and supported Chinese opposition to "foreign aggression, interference, control, and subversion."[24] The U.S. position, however, expressed the requirement of both sides' efforts to "reduce immediate tensions and to eliminate the basic causes of conflict," while it continued "working for peace and

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23. Barnett, *China Policy, 5.*

24. United States and China, "Joint Communiqué of the United States of America and the People's Republic of China," 28 February 1972, http://usinfo.state.gov/eap/Archive_Index/joint_communique_1972.html (accessed 21 November 2006).

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security, freedom of the peoples of the world, and to improving communication between countries that have different ideologies."[25]

President Nixon told Mao Zedong and Chou Enlai that, "as we look at the whole world, and the balance of power in the world, there is no reason for the [PRC] and the United States of America to be enemies, and there are many reasons why the [PRC] and the United States should work together for a peaceful Pacific and a peaceful world."[26] Although both Washington and Beijing would benefit from the political opportunity that the Communiqué presented, essential differences in their foreign policies remained. Mao stated that "wherever there is oppression, there is resistance. Countries want independence, nations want liberation and the people want revolution ... all nations, big or small, should be equal: big nations should not bully the small and strong nations should not bully the weak. China will never be a superpower and it opposes hegemony and power politics of any kind," asserting that all foreign troops should be withdrawn to their own countries.[27]

Nixon stated his position that peace in Asia, as well as throughout the world, "requires efforts both to reduce immediate tensions and to eliminate the basic causes of conflict," and that the United States would work for a just peace that "fulfills the aspirations of peoples and nations for freedom and progress," and

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25. Ibid.

26. United States Department of State, "Memorandum of Conversation," 21 February 1972 (Doc 195: Memorandum), *Foreign Relations of the United States, 1969-1976*, Vol. 17, *China, 1969-1972* (Washington, D.C.: Government Printing Office, 2006): 687.

27. United States and China, "Joint Communiqué of the United States of America and the People's Republic of China," 28 February 1972.

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for a secure peace that "removes the danger of foreign aggression." He asserted that the United States supports "individual freedom and social progress for all the peoples of the world, free of outside pressure or intervention," and that the effort to reduce tensions is served by "improving communication between countries that have different ideologies so as to lessen the risks of confrontation through accident, miscalculation or misunderstanding."[28]

Finding common ground among these issues, Nixon and Mao both agreed that, despite differences in social systems, states should rely on "the principles of respect for the sovereignty and territorial integrity of all states, non-aggression against other states non-interference in the internal affairs of other states, equality and mutual benefit, and peaceful coexistence," and that international conflict should be resolved without the use or threat of force.[29] With these principles of international relations in mind, the two sides stated that "progress toward the normalization of relations between China and the United States is in the interests of all countries, [that] both wish to reduce the danger of international military conflict, [that] neither should seek hegemony in the Asia-Pacific region and each is opposed to efforts by any other country or group of countries to establish such hegemony," and that "neither is prepared to negotiate on behalf of any third party or to enter into agreements or understandings with the other directed at other states."[30] Both sides also agreed that "it would be against the interests of the peoples of the world for any major country to collude with another

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28. Ibid.
29. Ibid.

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against other countries, or for major countries to divide up the world into spheres of interest."[31]

The two sides reviewed the long-standing disputes between China and the United States on the issue of Taiwan, which had become a cornerstone of the Sino-American relationship. The Chinese side reaffirmed its position that the Taiwan question was the crucial issue obstructing the normalization of relations between China and the United States; that the Government of the People's Republic of China is the sole legal government of China; that Taiwan is a province of China which has long been returned to the motherland; that the liberation of Taiwan is China's internal affair in which no other country has the right to interfere; and that all American forces and military installations must be withdrawn from Taiwan. It firmly opposed any activities aimed at the creation of "one China, one Taiwan", "one China, two governments", "two Chinas", an "independent Taiwan" or advocated that "the status of Taiwan remains to be determined".[32]

The United States responded by acknowledging that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China, and that the U.S. Government did not challenge that position. It also reaffirmed its interest in a peaceful settlement of the Taiwan question by the Chinese themselves. With this prospect in mind, it affirmed the ultimate objective of the withdrawal of all American forces and military installations from Taiwan. In

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30. Ibid.
31. Ibid.

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the meantime, it would progressively reduce its forces and military installations on Taiwan as the tension in the area diminished.

The two sides expressed their position that it is desirable to broaden the understanding between the peoples of the United States and China. They also discussed specific areas in such fields as bilateral trade, science, technology, culture, sports and journalism, in which person-to-person contacts and exchanges would be mutually beneficial. And each side pledged to facilitate the further development of such contacts and exchanges.

Chen notes that the 1972 Communiqué is "a document of both clarity and ambiguity; clarity, because both China and the United States hold the same position that all [U.S.] forces and military installations will be withdrawn from Taiwan; ambiguity, because both sides have not agreed on how the Taiwan issue should be settled." And of the top seven important issues facing China in 1977, Chen ranked Taiwan's normalization third, and its liberalization seventh.[33]

Ta Jen Liu notes that this communiqué was a sign that the "triangular relationship that Nixon had been angling to establish was finally taking shape," and that while Washington and Beijing maintained separate positions in regard to Taipei, Beijing was willing to compromise in understanding that the United States would maintain diplomatic relations with Taipei.[34] Cheng posits that "many China watchers had interpreted the Shanghai Communiqué as an effort to promote

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32. Ibid.

33. King C. Chen, "Peking's Attitude toward Taiwan," *Asian Survey* 17, no. 10 (October 1977): 906, 915.

34. Ta Jen Liu, *U.S.-China Relations*, 310.

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conversations among Chinese on both sides of the Taiwan Strait; yet no such talks emerged" as of the end of 1974.[35] He also notes that while 3,000 U.S. troops still remained on Taiwan by mid-1975, Beijing continued tolerating the contrived ambiguity over Taiwan's status; probably because of worsening Sino-Soviet relations and the internal problems of political succession.[36]

1979 Communiqué

The second U.S.-China communiqué—which established diplomatic relations as of 1 January 1979—spelled out the two sides' desire to exchange ambassadors on 1 March of that year and affirmed that the People's Republic of China is the sole legal government of China and that there is only one China, while maintaining cultural, commercial, and other unofficial relations with the people of Taiwan. Supporting the position that "normalization of Sino-American relations is not only in the interest of the Chinese and American peoples but also contributes to the cause of peace in Asia and the world," Washington and Beijing reaffirmed the principles of the 1972 Communiqué, including the mutual desire to reduce the chances of international conflict and the mutual opposition to hegemony. Washington agreed to continue supporting Beijing in these views, and both agreed that neither should "negotiate on behalf of any third party or to

35. Peter P. Cheng, "Taiwan: Protective Adjustment Economy," *Asian Survey* 15, no. 1 (January 1975): 21.

36. Peter P. Cheng, "Taiwan 1975: A Year of Transition," *Asian Survey* 16, no. 1 (January 1976): 64-55.

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enter into agreements or understandings with the other directed at other states."[37]

Ever since Nixon's visit to China in 1972, Chang notes, "Beijing has been using its American 'connection' to diplomatically isolate" Taipei, with efforts including supporting a massive effort in 1981 to press the Reagan administration to cut off arms sales to Taiwan.[38] He goes on to state that despite Beijing's nine-point proposal that included "an offer to let Taiwan keep its armed forces, autonomy, and socioeconomic system, and an invitation to KMT officials for joint leadership in running China," Taipei repeatedly rejected the offers, thereby making Taipei appear to be the source of the problems in the Strait.[39]

The wording of documents like this and other communiqués is very important for maintaining a political balance. Throughout the period of normalization, Hickey notes, "American officials have always been very careful to state only that the [United States] seeks a peaceful 'resolution' of the Taiwan issue, rather than a peaceful 'reunification' of China." This wording probably is deliberately ambiguous, he argues, "and leaves open many possibilities for the ultimate gate of Taiwan."[40] But as Thompson notes, such documents are not

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37. United States and China, Joint Communiqué on the Establishment of Diplomatic Relations between the People's Republic of China and the United States of America," 1 January 1979, http://usinfo.state.gov/eap/Archive_Index/joint_communique_1982.html (accessed 9 June 2005).

38. Parris Chang, "Taiwan in 1982: Diplomatic Setback Abroad and Demands for Reforms at Home," *Asian Survey* 23, no. 1 (January 1983): 38.

39. Ibid., 40.

40. Dennis Van Vranken Hickey, "America's Two-Point Policy and the Future of Taiwan," *Asian Survey* 28, no. 8 (August 1988): 896.

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inherently self-fulfilling; they are only relevant so long as they serve the interests of their signatories. He states that

> in practice, the [United States] and Taiwan no longer [had] mutual interests which [made] the 1954 treaty viable. Whereas in the past those interests only approximated a Cold War ideal in a hostile attitude toward the Peking regime, [in 1976 it was] little more than delusion to speak of a congruence of interests between Washington and Taipei. America's interests have become more diverse and complex than in the 1950s. Taiwan is no longer a military threat to the Peking regime but concerns itself with the economic development of a *de facto* state for which the Kuomintang regime hopes to be able to guarantee physical security.[41]

Taking the point further, Hungdah Chiu argues that it was no surprise that China's offers of peaceful reunification and "liberation" were not taken seriously after normalization. Beijing continued to advocate peacefully liberating Taiwan, but never explained precisely what benefits the Taiwanese would gain or how Taiwan would maintain its high standard of living once its capitalist system was inevitably demolished—to include foreign investment and enterprise.[42]

The 1979 Taiwan Relations Act

Going against the rhetoric of the three China communiqués, the 1979 Taiwan Relations Act (TRA) was a congressional response to the Carter administration's break in relations with Taipei. The TRA was written "to help maintain peace, security, and stability in the Western Pacific and to promote the

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41. Thomas N. Thompson, "Taiwan's Ambiguous Destiny," *Asian Survey* 16, no. 7 (July 1976): 613.

42. Hungdah Chiu, "Prospects for the Unification of China: An Analysis of the Views of the Republic of China on Taiwan," *Asian Survey* 23, no. 10 (October 1983): 1081.

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foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan, and for other purposes."[43] Mann notes that leaders in Beijing were outraged at this display of American protection being presented to the very government that had just lost its diplomatic recognition, but [Congress passed the act] with an overwhelming margin, effectively making it "veto-proof."[44]

King-yuh Chang points out that the TRA illustrates several unique aspects of U.S. security policy in the Strait: (1) America's commitment was unilateral, in that the security provisions were more elaborate than in the 1954 MDT; (2) security threats to Taiwan were subject to U.S. action, but threats to Taiwan's social or economic system could also have brought about other forms of assistance; and (3) when action was required, the United States "retained the right to determine what was sufficient."[45] McClaran further asserts that the United States maintained its position that the TRA "[guided] its actions" and that U.S. arms sales were "consistent with the Communiqué because they were defensive in nature" and that they came "in response to PRC military efforts that threaten Taiwan."[46]

Some argue that many in Congress felt the Carter administration was abandoning Taiwan for closer relations with China, and that the TRA established

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43. United States Congress, "Taiwan Relations Act," Public Law 96-8, 6th Congress, 1 January 1979, http://usinfo.state.gov/eap/Archive_Index/Taiwan_Relations_Act.html (accessed 9 June 2006).

44. James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton* (New York: Vintage Books, 2000), 95.

45. King-yuh Chang, "Partnership in Transition," 615.

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an implied commitment by the United States to intervene in China's internal relations by supplying Taiwan with defensive military armaments, thereby making available to Taiwan "such defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability."[47] Others argue that the TRA, which was originally designed to serve specific operational purposes, became a political document; and that while this caused a great deal of argument within the United States Government, a policy dealing with the security of Taiwan was eventually agreed upon as a fundamental element of Sino-American relations.[48] Jacobs notes that the TRA provided a more secure basis for Taiwan's foreign relations because nations no longer had to choose between Taipei or Beijing, since both capitals now rejected "two China" or "one China, one Taiwan" policies. Yet now both Beijing and Taipei had de *facto* accepted a "one China, one Taiwan" arrangement.[49]

THE 1980S

As of the early 1980s, Taiwan's economy was in its worst recession in three decades.[50] Myers notes that its rapid transformation from a predominantly rural to an urban society—without great social unrest and with minimal

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46. John P. McClaran, "U.S. Arms Sales to Taiwan: Implications for the Future of the Sino-U.S. Relationship," *Asian Survey* 40, no. 4 (July-August 2000): 626.

47. Colin Jones, "United States Arms Exports to Taiwan under the Taiwan Relations Act: the Failed Rule of Law in United States Foreign Relations." *Connecticut Journal of International Law* 9, (1993): 57, quoted in Jian Yang, *Congress and U.S. China Policy: 1989-1999,* 63.

48. Tucker, *China Confidential,* 333-334.

49. J. Bruce Jacobs, "Taiwan 1979: 'Normalcy' after 'Normalization,'" *Asian Survey* 20, no. 1 (January 1980): 86.

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deterioration of public morality—had produced higher living standards, greater national wealth and a more equal distribution of income.[51] As Dreyer notes, Taipei's economy was growing rapidly at the end of 1989 and unemployment was negligible.[52] And by the mid 1980s, Taiwan's dependence upon the U.S. security umbrella declined somewhat as a result of Taiwan's military modernization, the de facto armed truce in the Strait, and Washington's détente with Beijing. But Clark notes that "politico-military ties and dependence [remained] very significant,"[53] suggesting that Taipei still could not manage its security alone.

All of these developments were leading to the inevitable conclusion that China was changing, which would also have implications for its relationship with the United States. By 1982, the PRC was no longer ruled by totalitarian revolutionaries who "had acted upon their belief that rapid, violent, and comprehensive transformation of elites and institutions was the most effective mode of change." Rather, the PRC leadership appeared "committed to gradual and peaceful change within a framework of continuity of elites and institutions"[54] (see Table 1).

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50. Chang, "Taiwan in 1982," 45.
51. Ramon H. Myers, "The Economic Transformation of the Republic of China on Taiwan," *The China Quarterly*, no. 99 (September 1984): 527.
52. June Teufel Dreyer, "Taiwan in 1989: Democratization and Economic Growth," *Asian Survey* 30, no. 1 (January 1990): 52.
53. Clark, "The Taiwan Exception," 335.
54. Michael Oskenberg and Richard Bush, "China's Political Evolution, 1972-1982," in Orville Schell and David Shambaugh, eds., *The China Reader: The Reform Era* (New York: Random House, 1999), 8.

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Table 1. Evolution of the Chinese political system: 1972-82

Attribute	1972	1982
Method of change preferred by the leaders	Revolution	Reform
How leaders viewed the process of change	Dialectical	Linear
Preferred method of policy implementation	Mobilization of populace; class struggle	Rule by bureaucracy; regularity
State intrusiveness	Total	Pursuit of some private interests and withdrawal tolerated
Mechanisms for integrating the policy	Networks of personal relations coercion, ideology	Raising economic production and living standards
Techniques for controlling "bureaucratism"	Campaigns	Experimentation with numerous techniques; none successful
Extent of "institutionalization"	Low; rule of men rather than institutions	Low; major efforts underway to rebuild Institutions
Nature of politics at top level	Unbridled factionalism below top leader	Struggle among factions and opinion groups governed by unwritten rules
Rule at top	One-man rule	Collective leadership
Empirical bases of decisions model units	Prior references demonstrated in	Investigation; statistical compilation; model units
Popular confidence in political system	Low	Somewhat improved
Dominant organizational hierarchies	People's Liberation Army, public security forces, party propaganda	Party committee chain of command, party organization department, State Planning Commission, Ministry of Finance, army, public security forces

Source: Oskenberg and Bush, in Schell and Shambaugh: 18.

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1982 Communiqué

The Joint Communiqué between the United States and the People's Republic of China, dated 17 August 1982, further pledged to reduce arms sales to Taiwan, suggesting that the ideological ties of the 1950s and 60s had given way to more pragmatic geopolitics. This communiqué reaffirmed the declarations of the previous two (from 1972 and 1979) regarding the "one China" policy, including maintaining "cultural, commercial, and other unofficial relations with the people of Taiwan," and continued diplomatic relations with China—reiterating that "it has no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in China's internal affairs, or pursuing a policy of 'two Chinas' or 'one China, one Taiwan.'"[55]

As the basis for the 1982 Communiqué, Ye Jianying—the Chairman of the Standing Committee of China's National People's Congress—on 30 September 1981 put forward a nine-point proposal for bringing about the peaceful reunification of the Mainland and Taiwan, officially stating at the time that

> after China is reunified, Taiwan may become a special administrative region. It may enjoy a high degree of autonomy and may keep its military forces. The national government will not intervene in the local affairs of Taiwan. Taiwan's current social and economic systems will remain unchanged, its way of life will not change, and its economic and cultural ties with foreign countries will not change. A provision on setting up special administrative region was added to the Constitution of the People's Republic of China passed at the Fifth Session of the National People's

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55. United States and China, "Joint Communiqué of the United States of America and the People's Republic of China," 17 August 1982, http://usinfo.state.gov/eap/Archive_Index/joint_communique_1982.html (accessed 20 March 2004).

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Congress in 1982, providing legal basis for accomplishing "one country, two systems."[56]

This new communiqué, which denounced aggression and expansion, also reaffirmed the parties' position that the development of Sino-American relations based on the principles of equality and mutual benefit was of interest to both parties—as well as to the rest of the world—for the promotion of peace and stability. It stated that economic, cultural, educational, scientific, and technological ties—as well as advances in other fields—would only benefit relations between the United States and China.[57]

This communiqué included language on an issue that the others did not; arms sales to Taipei. While previously recognized as an important and contentious issue, China decided that U.S. arms sales to Taiwan should be postponed until after normalization, and the two parties discussed this issue in October 1981. The United States explicitly stated in this latest communiqué that it "does not seek a long-term policy of arms sales to Taiwan, that its arms sales ... will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since [1979] ... and that it intends to gradually reduce its sale of arms to Taiwan, leading ... to a final resolution."[58] While meant to provide

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56. China, "A Policy of 'One Country, Two Systems' on Taiwan," 17 November 2000, Ministry of Foreign Affairs of the People's Republic of China, http://www.fmprc.gov.cn/eng/ziliao /3602/3604/t18027.htm (accessed 26 May 2006).

57. United States and China, "Joint Communiqué of the United States of America and the People's Republic of China," August 17, 1982.

58. Ibid. The U.S. Government reiterated that it has no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in China's internal affairs, or pursuing a policy of "two Chinas," or "one China, one Taiwan."

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the means for the United States to slowly end its support of arms to Taiwan, this statement would become an issue of even greater contention in the near future.

McClaran notes that Beijing considers U.S. arms sales to Taiwan to be "a flagrant violation of [China's] sovereignty and that the vaguely defined quantitative and qualitative ceilings on such sales agreed to by the United States in the 1982 Joint Communiqué have left it vulnerable to harsh criticism from Beijing.[59] And Robinson notes that although the language of the communiqué constrained Taipei's military activities from 1982 and 1992, many nations—including the United States—nevertheless continued to supply military arms to Taipei.[60] And while Taiwan's economy had grown tremendously—along with a rise in its average living standards and a greater equalization of incomes—as a result of rural industrialization, it also faced some uncertainties, according to Thompson.[61] Glaring scandals and setbacks included murder plots, corruption, and panic-driven investment withdrawals; all of which damaged Taiwan's image in 1985.[62]

1986 was a good year for Taiwan—the economy made it the number one nation in the world in economic performance for the year, even when calculated over a twenty-year period, according to Copper.[63] As of November 1986, Taipei had diplomatic relations with 23 countries and increased commercial and

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59. McClaran, "U.S. Arms Sales to Taiwan," 622.

60. Thomas W. Robinson, "America in Taiwan's Post Cold-War Foreign Relations," *The China Quarterly*, no. 148 (December 1996): 1349.

61. Stuart E. Thompson, "Taiwan: Rural Society," *The China Quarterly*, no. 99 (September 1984): 568.

62. James C. Hsiung, "Taiwan in 1985: Scandals and Setbacks," *Asian Survey* 26, no. 1 (January 1986): 93.

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unofficial relations with others.[64] But even with these advances, Drifte notes, no European government in the mid-1980s wanted "to risk its relationship with Beijing, since all [agreed] that their greater economic interests, at least in the long term, [were] on the Chinese Mainland."[65]

ALTERNATIVE ELEMENTS OF INFLUENCE SINCE 1962

Looking beyond military force, the power of ideas and ideologies have played important roles in the region of the Strait. By waging a battle of perceptions, both the PRC and the ROC have sought to obtain and maintain a particular position in the eyes of the international community. Both sides achieved varied results throughout the years, but this recognition remains a significant aspect of relations for both countries.

Perceptions and Power

Until at least the late 1980s, the Chinese publication *People's Daily* continued to promote a negative image of the Taiwanese government, according to Siu-nam Lee. He presents a possible explanation, stating that "it becomes difficult, if not impossible, for the CPP to justify *peaceful* reunification with a place ruled by what is portrayed as an adversary regime," suggesting that negative propaganda may be an indicator that China is preparing to use force in response

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63. Copper, "Taiwan in 1986," 81.
64. Ibid., 85.

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to Taipei's rejection of its "supposedly generous offers."[66] And Ya-li Lu argues that, because both sides of the Strait in 1985 contended that there was only one China, "unification" was not the issue. Rather, the problems occurred when attempting to address "how, when, and under what conditions unification should proceed."[67]

The propaganda battle had become more important in the late 1980s. "In relations with other countries," Seymour argues, "Beijing has been gradually outmaneuvering Taipei. No longer having formal diplomatic relations with many countries, Taiwan had placed great emphasis on unofficial and propaganda efforts."[68] Between 1950 and 1984, Taiwan was nearly isolated politically: whereas Taipei was once supported by a majority of the United Nations members as the *de jure* government of China, by 1984 it maintained relations with only 23 states.[69] Weng argued at the time that Taiwan did not appear to have "the subjective will to become independent of China," and Taipei had little power or influence in international affairs at its command. Since the early 1970s, "Taiwan has been forced to live with the irregularities of its international status.

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65. Reinhard Drifte, "European and Soviet Perspectives on Future Responses in Taiwan to International and Regional Developments," *Asian Survey* 25, no. 11 (November 1985): 1121.

66. Paul Siu-nam Lee, "The Official Chinese Image of Taiwan," *The Australian Journal of Chinese Affairs*, no. 24 (July 1990): 161.

67. Alexander Ya-li Lu, "Future Domestic Developments in the Republic of China on Taiwan," *Asian Survey* 25, no. 11 (November 1985): 1092.

68. James D. Seymour, "Taiwan in 1987: A Year of Political Bombshells," *Asian Survey* 28, no. 1 (January 1988): 76.

69. Byron S.J. Weng, "Taiwan's International Status Today," *The China Quarterly*, no. 99 (September 1984): 462.

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Taipei's 'One China policy' has not only tied its own hands but also the hands of its allies and friends." [70]

Deng Xiaoping, in a telephone call to Sir Yugang Bao on 20 December 1984, stated that "the problem between China and the United States was the Taiwan question. The Sino-British joint declaration concerning [Hong Kong] has removed the shadow between China and Great Britain. Resolving the Taiwan question [would] also remove the shadow between China and the United States." He further stated that "since the [Korean War] in 1950 the Chinese Communists have continued to blame American interference or 'conspiracy' as the sole factor that created and [that] maintains the present 'two Chinas' situation."[71]

Until at least 1986, the political institutions that were established in China in 1947 were all transferred to, and maintained in, Taiwan. This was despite the fact that native Taiwanese, who made up 85% of the population, had fewer than 10% of the seats in national Taiwanese legislative bodies; the Taiwanese voice had been nearly silenced by martial law since 1949.[72] As of 1980, Chi-wu Wang notes, a number of American observers, both in and out of government service, maintained that the breakup of the 1954 MDT and of United States-Taiwan diplomatic relations did not damage Taiwan's security position and, in fact,

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70. Ibid., 463-64.

71. C.L. Chiou, "Dilemmas in China's Reunification Policy toward Taiwan," *Asian Survey* 26, no. 4 (April 1986): 474.

72. Trong Chai, "The Future of Taiwan," 1310.

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reduced its security needs; the situation was calmer in 1981 than at any point in the previous three decades.[73]

Copper notes that Taiwan in 1980 faced the challenge of institutionalizing a democratic government without creating instability, and also of trying to get native Taiwanese and those who came from the Mainland to agree on goals for the future by focusing on Taiwan's foreign, domestic, and defense policies, which underscored Taiwan's future apart from, or as another, China.[74] Once the KMT won the 1983 elections, Chang notes, it could have won confidence among Taiwan's citizens by displaying greater tolerance for dissent, but it failed to do so.[75] Lee Teng-hui came to power because Chiang Ching-kuo in 1983 was aging and debilitated by sugar diabetes, as Chao and Myers note, and needed a Taiwanese successor who could elicit popular support for the KMT. Chiang Ching-kuo chose Lee as his vice-presidential running mate in 1984, and shared with him his vision and plan for political reform, thereby ensuring political succession after his own death.[76]

While there is no physical symbol on Taiwan to match the iconic status of the Great Wall on the Mainland, Chun argues, the KMT "has consistently

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73. Chi-wu Wang, "Military Preparedness and Security Needs: Perceptions from the Republic of China on Taiwan," *Asian Survey* 21, no. 6 (June 1981): 651.

74. Copper, "Taiwan in 1980," 51.

75. Parris Chang, "Taiwan in 1983: Setting the Stage for Power Transition," *Asian Survey* 24, no. 1 (January 1984): 123.

76. Linda Chao and Ramon H. Myers, "The First Chinese Democracy; Political Development of the Republic of China on Taiwan, 1986-1994," *Asian Survey* 34, no. 3 (March 1994): 218-19.

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maintained its role as the guardian of traditional Chinese culture."[77] By attempting to impose a common language and ideology, Taipei hoped to "naturalize the imagination of a Chinese nation-state" by making it a normal part of everyday life on Taiwan."[78] Having moved away from the untenable concept of military conquest, Taiwan since the late 1980s "has stressed the principle of flexible diplomacy," according to Domes, "by which it means it is no longer concentrating on the establishment of formal diplomatic relations with other countries, but rather emphasizes 'substantial relations,' through para-diplomatic institutions in Taiwan and in foreign capitals."[79]

Dreyer posits that this approach, to which he refers as Taiwan's "elastic diplomacy," was the most significant international development for the region in 1989. He states that this approach "reversed the pattern of the past wherein Taipei would immediately break relations with any country that recognized the Beijing government and would withdraw or become inactive in international organizations that admitted the PRC"; it also resulted in Taipei "upgrading relations with states that did not have formal diplomatic ties" to the level of those it maintained with the United States.[80] This approach started paying dividends in 1990, he posits, as "foreign nations seemed increasingly willing to ignore

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77. Allen Chun, "From Nationalism to Nationalizing: Cultural Imagination and State Formation in Postwar Taiwan," *The Australian Journal of Chinese Affairs*, no. 31 (January 1994): 55.

78. Ibid., 69.

79. Jurgen Domes, "Taiwan in 1991: Searching for Political Consensus," *Asian Survey* 32, no. 1 (January 1992): 43-44.

80. Dreyer, "Taiwan in 1989," 55.

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Beijing's protests over their dealings with Taipei."[81] U.S. relations with the PRC, however, remained relatively routine.

Chong-Pin Lin notes that while Beijing launched a diplomatic counter-offensive to salvage its international image after the 1989 Tiananmen Square incident, it continued to assert that any Taiwanese move toward independence was "a road to disaster." But he also notes that Taipei "surprisingly not only continued the thawing of its Mainland policy but also, after a while, proceeded at an accelerated pace."[82] This was an unprecedented break from previous decades, suggesting a change in the overall political perspective in Taipei. Kindermann posits that "U.S. foreign policy decision-makers and leading American China experts had good reason to believe that no Government of China—Imperial, Kuomintang, or Maoist—would voluntarily ever give up China's claim to the rich and strategically important island of Taiwan."[83] Such perceptions, however, presented little hope for progress unless there was an honest renunciation of force on both sides of the Strait.

Some argue that Taipei's role in maintaining regional stability is often overlooked, according to Hsia Chang, who notes several potential initiatives Taipei could have undertaken "that could have easily de-stabilized the political equilibrium of the entire region": a unilateral declaration of independence, a decision to develop a nuclear capability, or an effort to enter into some kind of

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81. Ibid., 60.

82. Chong-Pin Lin, "Beijing and Taipei: Dialectics in Post-Tiananmen Interactions," *The China Quarterly*, no. 136 (December 1993): 774-78.

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accommodation with the Soviet Union.[84] Yu-Shan Wu notes that "the top priority of the ROC's foreign policy in 1993 was to gain international recognition." This was partially due to the fact that "economic interaction across the Taiwan Strait was dragging the island closer to mainland China. In fear of being swallowed up, not only economically but politically, Taiwan looked for countervailing connections with the international community."[85]

Crane posits that, of the five conditions that would have provoked a Chinese military attack in the early 1990s—a Taiwanese nuclear capability, a Taiwan-Russian entente, an outbreak of extreme political disorder in Taiwan, a declaration of Taiwan's independence, or an extended rejection of reunification talks—the threat to retaliate against obtaining a nuclear weapon is the most credible, as such capabilities would bolster any claim to Taiwan's independence. Beijing was not happy that the United States agreed to provide Taipei with 150 F-16 fighters, but may have been more concerned about the principle of restraining Western arms sales than about the balance of military forces, in which China maintained a superior position vis-à-vis Taiwan.[86] The military balance between Taiwan and mainland China was relative, however, and China had an enormous arms production capability in the early 1990s. And though some may question the quality of Chinese weapons, which largely were copied from Soviet designs,

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83. Gottfried-Karl Kindermann, "Washington between Beijing and Taipei: The Restructured Triangle 1978-80," *Asian Survey* 20, no. 5 (May 1980): 462.

84. Marisa Hsia Chang, "Political Succession in the Republic of China on Taiwan," *Asian Survey* 24, no. 4 (April 1984): 423.

85. Yu-Shan Wu, "Taiwan in 1993: Attempting a Diplomatic Breakthrough," *Asian Survey* 34, no. 1 (January 1994): 52.

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Hyer notes a balancing factor, in that "unsophisticated Chinese weapons systems are much easier to operate and maintain" than the more modern Western systems because they involve less-complex technology.[87]

Tensions between Taiwan and the Mainland had eased between 1987 and 1995, Myers notes, largely because of economic integration. By 1995, however, President Lee's moves toward establishing independence from the Mainland raised tensions between Taipei and Beijing,[88] and Jia Quingguo posits that Beijing was troubled by what it saw as "the tolerance and encouragement the new Taiwan authorities have shown toward Taiwan independence activities on the island.[89] Despite the troubles his actions provoked, Lee Teng-hui, at least initially, proved to be an extremely popular president among the Taiwanese, with public opinion surveys giving him approval ratings of 80 percent or higher, according to Ts'ai Ling and Myers.[90]

Economic factors

Li Cheng and White argue that "elite transformations correlate with changes of social ideology and economic structures. A comparison of ideological

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86. George T. Crane, "China and Taiwan: Not Yet 'Greater China,'" *International Affairs (Royal Institute of International Affairs 1944-)* 69, no. 4 (October 1993): 721.

87. Eric Hyer, "China's Arms Merchants: Profits in Command," *The China Quarterly*, no. 132 (December 1992): 1105-06.

88. Ramon H. Myers, "A New Chinese Civilization: The Evolution of the Republic of China on Taiwan," *The China Quarterly*, no. 148 (December 1996): 1089.

89. Jia Qingguo, "Changing Relations across the Taiwan Strait: Beijing's Perceptions," *Asian Survey* 32, no. 3 (March 1992): 285.

90. Ts'ai Ling and Ramon H. Myers, "Surviving the Rough-and-Tumble of Presidential Politics in an Emerging Democracy: The 1990 Elections in the Republic of China on Taiwan," *The China Quarterly*, no. 129 (March 1992): 130.

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shifts and system evolution on mainland China and Taiwan in 1990 show what clear distinctions between socialism and capitalism were coming to an end in both places."[91] They posit that "modern history shows that conflicts and wars can occur between nations that have similar political systems.... But future relations between the Mainland and Taiwan are unlikely to be determined by ideological issues; they may well depend on domestic economic interests and the international economic environment."[92]

Throughout the years between the KMT's flight to Taipei and the shift in U.S.-Chinese relations, Taiwan experienced significant economic growth (see Table 2). Kirby notes that many of the most prominent individuals associated with Taiwan's economic policy had roots in the pre-1949 economic bureaucracy."[93] In the years leading up to 1968, according to Amsden, Taiwan witnessed annual growth rates that were impressive by any standard.[94] Largely attributed to success in agriculture, she argues, Taiwan's industrial capital gained a labor force, a surplus, and foreign exchange—even during the immediate postwar years. Contrary to dependency theory, however, foreign exchange did not create a Third World-level of dependency, where trade and foreign investment often determine what is produced. The difference, Amsden notes,

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91. Li Cheng and Lynn White, "Elite Transformation and Modern Change in Mainland China and Taiwan: Empirical Data and the Theory of Technocracy," *The China Quarterly*, no. 121 (March 1990): 34.

92. Ibid.

93. William C. Kirby, "Continuity and Change in Modern China: Economic Planning on the Mainland and on Taiwan, 1943–1958," *The Australian Journal of Chinese Affairs*, no. 24 (July 1990): 137.

94. Amsden, Alice H. "Taiwan's Economic History: A Case of Etatisme and a Challenge to Dependency Theory," *Modern China* 5, no. 3 (July 1979): 363.

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Table 2. Real GDP in Taiwan: average annual growth rates

1949-60	1960-68	1968-73
7.3%	8.5%	10.6%

Source: Alice Amsden, "Taiwan's Economic History" Source: Taiwan Economic Planning Council, 1976.

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may lie in the "scientific advances which agriculture made in Taiwan under Japanese imperialism and the subsequent success of the 1953 land reform."[95]

Some argue, as does Klatt, that the speedy recovery of Taiwan's war-torn economy was largely attributed to "American aid, given on a large scale and over many years," and that it "set in motion a process of modernization second to none among the developing countries of the area."[96] Barrett and Whyte note that there is no clear consensus on the impact of massive American aid to Taiwan in the 1950s and 60s; some see it as contributing to capital formation and economic growth, whereas others feel it did not serve this purpose." Overall, however, they argue that dependency did not result in slow economic growth for Taiwan.[97]

Ho notes that by the early 1970s, the optimism created by Taiwan's economic performance in the previous decade was quickly being overshadowed by international political and economic events, such as losing both its seat at the United Nations and its diplomatic relations with Canada, Nixon's visit to Beijing, and America's promise to reduce its presence in Taiwan.[98] Chen Fu Chang argues that the influx of capital from the U.S. to Taiwan in the early 1970s helped to finance and balance trade account deficit payments, which provided additional resources for domestic capital formation. With economic growth geared

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95. Ibid., 363-73.

96. W. Klatt, "Taiwan and the Foreign Investor," *Pacific Affairs* 50, no. 4 (Winter 1977–78): 645-46.

97. Richard E. Barrett and Martin King Whyte, "Dependency Theory and Taiwan: Analysis of a Deviant Case," *The American Journal of Sociology* 87, no. 5 (March 1982): 1064-65, 1079.

98. Samuel P.S. Ho, "Industrialization in Taiwan: Recent Trends and Problems," *Pacific Affairs* 48, no. 1 (Spring 1975): 33-34.

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especially toward exports, Taiwan's exports eventually exceeded its imports, resulting in an account surplus.[99]

Overholt noted as far back as 1974 that in both international and domestic matters, Communist China makes few explicit agreements, and that it keeps its own concessions as vague as possible; making negotiations difficult.[100] He posits, "What would be the incentives to Taiwan to negotiate any substantial concessions to the PRC? Taiwan's bargaining position would be weak.... The likely outcome of direct negotiations which envisioned any kind of legal, economic or political incorporation of Taiwan into the Mainland would likely be domestic unrest and international weakness."[101]

While Taiwan's economic independence continued to grow throughout the 1980s and into the 1990s, it had dissolved neither its interest in, nor its reliance upon, the United States. In fact, as Ash and Kueh note, its economic integration with the Mainland formed a bond of interest between Taipei and Beijing. Many Taiwanese firms moved to the Mainland "in an attempt to reduce export costs and to take advantage of cheap labor and land, possibly assisted by more stringent government legislation to control pollution, as well as greater self-awareness and even militancy on the part of the labor force."[102] But if this rapid expansion of trade boosted Taiwan's export growth, it also led to increasing

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99. Chen Fu Chang, "The Balance of Payments of Taiwan, 1966-72," *Asian Survey* 14, no. 6 (June 1974): 546.

100. William H. Overholt, "Would Chiang Find Mao an Unacceptably Strange Bedfellow?" *Asian Survey* 14, no. 8 (August 1974): 689.

101. Ibid., 694.

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dependence on Chinese markets.[103] By 1994, "the number of Taiwan-invested factories and establishments in China was estimated to be approximately 15,000 with about $4 billion [USD] in new investment under contract from January to May," according to Xiangming Chen. He posits that as of 1996, rough estimates gauged the "cumulative stock of Taiwanese investment in China ... in a range of $20-25 billion involving between 25,000 and 30,000 ventures."[104] This growing economic interdependence could indicate the potential for future cooperation and easing of tensions between the two governments.

Chow notes that the PRC experienced little or no technological growth from the end of "economic cooperation with the Soviet Union in the 1960s until at least 1980,"[105] but Gurtov notes that it had some impressive economic results in the early 1990s, stemming from the conversion of military resources—such as microelectronics, nuclear energy, aerospace, lasers and nautical science; a shift from materials-based to information-based production; and investment in advanced industrial countries in technology industry clusters—to civilian use.[106] This growth placed Taipei in a greater position of self-reliance, although the United States remained a large contributor to its success. But this period still was not free from U.S. economic pressure. Yangmin Wang notes that the United

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102. Robert F. Ash and Y.Y. Kueh, "Economic Integration within Greater China: Trade and Investment Flows between China, Hong Kong, and Taiwan," *The China Quarterly*, no. 136 (December 1993): 711-18.

103. Ibid., 742.

104. Xiangming Chen, "Taiwan Investments in China and Southeast Asia: 'Go West, but Also go South," *Asian Survey* 36, no. 5 (May 1996): 451.

105. Gregory C. Chow, "Capital Formation and Economic Growth in China," *The Quarterly Journal of Economics* 108, no. 3 (August 1993): 841.

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States Trade Representative in 1992, largely in response to China's human rights record—brought to international attention after the 1989 Tiananmen crackdown, "threatened to impose punitive tariffs of up to 100% on [USD] $3.9 billion worth of Chinese goods" if it did not bring down barriers to U.S. imports.[107]

By 1996, Cabestan argues, Taiwan's economy had become increasingly dependent upon the PRC. 30,000 "Taiwanese companies [were] represented and over 100,000 [Taiwanese] nationals [lived] on a permanent basis in mainland China," which the "three links" would eventually cause to grow.[108] And Howe posits that the 1995-96 crisis "has drawn attention to the political vulnerability of the Taiwanese economy to offensive naval quarantine action." He notes, however, that economic interdependence has linked many other ASEAN states with Taiwan's economy, and that the PRC would have to consider the implications of any action on the economies of these other states.[109]

Social Dynamics in the Strait

Nationalism can be an important element in establishing a people's identity. Gold notes that a "way to capture Taiwan's social cleavages is by distinguishing 'Taiwanese' and 'Mainlanders,' referring to when people or their

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106. Melvin Gurtov, "Swords into Market Shares: China's Conversion of Military Industry to Civilian Production," *The China Quarterly*, no. 134 (June 1993): 214, 220.

107. Yangmin Wang, "The Politics of U.S-China Economic Relations: MFN, Constructive Engagement, and the Trade Issue Proper." *Asian Survey* 33, no. 5 (May 1993): 459.

108. Jean-Pierre Cabestan, "Taiwan's Mainland Policy: Normalization, Yes; Reunification Later," *The China Quarterly*, no. 148 (December 1996): 1272.

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ancestors ... migrated to the island from China: respectively, prior to Taiwan's retrocession to Chinese Mainland administrative control in 1945, or after."[110]

On revolution, Appleton posits that "militant generations in the past, revolutionary or otherwise, have not always proved highly successful in reproducing a generation in their own image.... This may prove a critical problem for those among Taiwan's leadership, to whom 'return to the Mainland' is an article of active faith."[111] He also discusses the aspect of being "Chinese," arguing that "perhaps the most frequent questions about Taiwan asked by non-specialists are those concerning the relationship of 'native' Taiwanese to those of recent Mainland origin ... are Taiwanese and Mainlanders one 'people' or two?" Appleton found that "the people of Taiwan are essentially Chinese in their social and political outlooks as well as in their ancestry ... what is remarkable is that differences and feelings of hostility between Mainlanders and Taiwanese are not greater than [in his student sample, at least] they appear to be."[112]

Gold posits that different generations of Taiwanese have differing perspectives about reunification, stating that Taiwan's situation forces younger men to think about mainland China from a "very different perspective than their parents." And that even for older generations of former Mainlanders on Taiwan,

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109. Christopher Howe, "The Taiwan Economy: The Transition to Maturity and the Political Economy of Its Changing International Status," *The China Quarterly*, no. 148 (December 1996): 1193.

110. Thomas B. Gold, "Taiwan Society at the Fin de Siecle," *The China Quarterly*, no. 148 (December 1996): 1104.

111. Sheldon L. Appleton, "Silent Students and the Future of Taiwan," *Pacific Affairs* 43, no. 2 (Summer, 1970): 239.

112. Sheldon L. Appleton, "Taiwanese and Mainlanders on Taiwan: A Survey of Student Attitudes," *The China Quarterly*, no. 44 (October-December 1970): 38, 56-57.

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"memories of the Mainland have faded considerably and most now consider Taiwan their home. Though possibly interested in a return visit to one's hometown and relatives, this is not a strong enough pull to mobilize them in support of reunification."[113] Winckler notes that while the Nationalists on Taiwan have expressed more than their share of authoritarian totalitarianism, at least they are better than many Latin American countries, and may even one day become more like Japan. But in any case, he argues, the ROC is definitely not the PRC.[114] And ultimately, they are probably better off for it.

Taiwan's 1994 "White Paper on Relations across the Taiwan Strait" laid out Taipei's conception of cross-Strait relations, as expressed in its 1991 "Guidelines for National Unification."[115] It suggested the idea of "one China, two equal political entities," and referred to "one China" as "a historical, geographical, cultural, and racial entity." It also rejected the idea of "one country, two systems," and claimed that it amounted "to nothing more than annexing Taiwan, Penghu, Kinmen, and Matsu in the name of unifying China."[116] Cabestan posits that the common denominator of these statements was "normalization, yes; reunification, later."[117]

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113. Thomas B. Gold, "The Status Quo is Not Static: Mainland-Taiwan Relations," *Asian Survey* 27, no. 3 (March 1987): 306-07.

114. Edwin A. Winckler, "Institutionalization and Participation on Taiwan: From Hard to Soft Authoritarianism?" *The China Quarterly*, no. 99 (September 1984): 499.

115. Taiwan, "Taiwan's Guidelines for National Unification," 23 February 1991, Taiwan's National Unification Council, http://cns.miis.edu/straittalk/Appendix%2059.htm (accessed 30 July 2006).

116. Taiwan, "Taiwan White Paper on Relations across the Taiwan Straits," July 1994, Taiwan's Mainland Affairs Council, http://cns.miis.edu/straittalk/Appendix%2073.htm (accessed 30 July 2006).

117. Cabestan, "Taiwan's Mainland Policy," 1282.

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THE 1995-96 CRISIS: RENEWED TENSIONS

Even more important than China's growing power, Cabestan posits, is the perception of its power. For some time, the PRC managed to convince most Western countries and its neighbors that it is a great power. But he notes that "a closer look at mainland China's military capabilities and force projections tends to show that far from being a world power, it is gradually becoming a regional power," and China in 1996 was much less powerful than many perceived at the time.[118]

Lee Teng-hui's 1995 speech at Cornell angered and upset Chinese and American officials due to his repeated references to the "Republic of China on Taiwan." These references essentially double-crossed many U.S. officials who were assured that the speech would be purely non-political and cover only economic reforms in Taiwan. Following this speech, China initiated military exercises in the Taiwan Strait, which Scobell describes below:

> China conducted a series of military exercises and missile tests in the vicinity of the Taiwan Strait between July 1995 and March 1996. On [18 July 1995], Beijing announced that missile tests would be conducted targeting an area some 90 miles off the coast of northern Taiwan. Then, on three consecutive days, [21, 22, and 23 July 1995], a total of six DF-15 missiles were launched from sites in Fijian province—two per day. The following month, after a five-day advance warning, PLA naval vessels and aircraft conducted ten days of live-fire tests off the coast of Fujian.
>
> Further military exercises were conducted in mid-November to the south of the Strait, including joint operations involving air, land, and naval arms of the PLA. On [5 March 1996], Beijing announced it would soon begin another round of missile tests. This time they were to be targeted at seas less than fifty miles from Taiwan's busiest ports. On [8 March], three DF-15 missiles were fired from bases in Fujian. Five days later, another DF-15 missile was launched. Finally, also after advanced warning, live-

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118. Ibid., 1278, 1283.

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> fire tests and war games were conducted off the coast of Fujian to the north of the Strait and to the south of the Strait between [12 and 15 March]. The maneuvers included amphibious landing exercises and aerial bombing. Some forty naval vessels, two hundred and sixty aircraft, and an estimated 150,000 troops participated.[119]

Shambaugh described the 1995 missile tests in greater detail: On 21 July 1995, the first of two PRC missile exercises commenced 95 miles north of Taiwan. Over the next five days, the PLA test-fired six M-9 medium-range surface-to-surface ballistic missiles into the sea; each nuclear-capable, with a range of 600 kilometers. The PLA fired another round of missiles in mid-August 1995, and this time included Chinese copies of French Exocets—highly accurate anti-ship missiles—launched from PRC naval destroyers in the East China Sea.[120]

He also argues that the possibility of American intervention had to be taken seriously; "particularly if the United States [determined] that a PRC attack was unprovoked. The dispatch of two U.S. aircraft carrier battle groups and resolutions by the U.S. Congress during the March 1996 'crisis' suggest that American intervention on behalf of Taiwan [was] a distinct possibility under certain conditions."[121] He also notes that this was the first crisis of the post-Deng Xiaoping era.[122] These actions, however, brought United States-China relations

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119. Andrew Scobell, "Show of Force: The PLA and the 1995-1996 Taiwan Strait Crisis," (Working paper, Asia/Pacific Research Center, Stanford University, January 1999): 5.

120. Shambaugh, "Taiwan's Security," 1285.

121. Ibid., 1303-04.

122. Ibid., 6. Also, Scobell points out that Deng was still alive at this point but his state of health was so poor that he was incapable of playing any significant role in the events that took place during this crisis.

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to the low point in the decade. Although two U.S. aircraft carriers and their battle groups moved into the Taiwan Strait region to "monitor" the events, tensions subsided without a serious escalation in the conflict.[123]

Bush posits that "Beijing chose to go to the mat over [Lee's speech at] Cornell not only because of what Lee had said, but also because he said it in the United States. His American visit created concern not only because more high-level travel might be in the offering, but also, and more important, because Beijing chose to include within its definition of separatism any Taiwan efforts to gain international support for the idea that the Republic of China existed as an equal Chinese government."[124]

Nathan asserts that, while China in 1996 felt like it needed to rein in Taiwan's growing autonomy, America's ambiguous policy in the Strait simultaneously told Taipei "Don't count on us to rescue you," and told Beijing "Don't count on our not getting involved," in the hopes of deterring both sides from taking action.[125] Naturally, this policy runs an inherent risk of failure. O'Hanlon argues that any war in the Strait could easily involve the United States, and that the 1995-96 crisis "showed that the United States does not take its interest in Taiwan's security lightly."[126] While the United States probably was the

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123. Federation of American Scientists, "Taiwan Strait: 21 July to 23 March 1996," http://www.fas.org/man/dod101/ops/taiwan_strait.htm (accessed 10 October 2001; site now discontinued).

124 Richard Bush, *Untying the Knot: Making Peace in the Taiwan Strait* (Washington, D.C.: Brookings, 2005), 53.

125. Andrew Nathan, "China's Goals in the Taiwan Strait," *The China Journal*, no. 36 (July 1996): 87, 92.

126. Michael O'Hanlon, "Why China Cannot Conquer Taiwan," *International Security* 25, no. 2 (Autumn 2000): 52.

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only country that could adequately assist Taiwan in the event of a war with China during this crisis, many Taiwanese were unsure of America's commitment to such an event, Cabestan argues. This crisis helped to support a U.S. commitment to the ROC, but it also made Taiwan even more dependent upon the United States—both for its security and its political legitimacy.[127]

Chinese president Jiang Zemin presented an Eight-Point Proposal on 30 January 1996 designed to end the decades of tension and separation between Taiwan and the Mainland. Hung-mao Tien describes the proposal as "an apparent effort to break the stalemate in low-level cross-Strait talks," noting that

> the proposal called for leaders on both sides to meet and for negotiations to end the state of mutual hostility. Although its eight points contained few new initiatives, the document was significant for at least two reasons. First, it emphasized the negotiating mode for conflict resolution, and second, it formally incorporated Beijing's various messages, such as diplomatic exchange, cessation of mutual hostility to preclude military action, and negotiation for the legal protection of [Taiwanese] investors on the Mainland.[128]

Pollack notes that Taiwan's strategy is ever-changing. He argues that Lee Teng-hui's primary goal was to prevent Beijing from achieving control over Taipei's fate, and that Lee pursued this by all possible means. This included upgrading U.S. military sales to Taiwan in the early 1990s, improving Taipei's legitimacy in the eyes of the international community, and improving economic ties between China and Taiwan to a point where maintaining the status quo

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127. Cabestan, "Taiwan's Mainland Policy," 1279-83.

128. Hung-mao Tien, "Taiwan in 1995: Electoral Politics and Cross-Strait Relations," *Asian Survey* 36, no. 1 (January 1996): 34.

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became Beijing's interest.[129] He also argues that the 1995-96 crisis was China's attempt to break Teng-hui's progress, stating that

> Chinese leaders [hoped] that their resumption of military exercises [would] send an important signal to the outside world. By reactivating the military option in a more potent way, Beijing [was] seeking to convey the message that its spectrum of alternatives [had] broadened rather than narrowed, notwithstanding the economic linkages between Taiwan and the Mainland and despite China's broader initiatives to pursue a stable regional environment. Military exercises clearly state intentions, capability, and purpose in a way that words alone cannot. Chinese officials may well have recognized that they would pay a political cost for their military exercises, but prevailing sentiment among the leadership was that less obtrusive behavior would fail to send the required signal.[130]

Chen Qimao notes that Taipei in 1996 "rejected the 'one country two systems' formula, regarding it as a measure to relegate Taipei to the status of a local government under the PRC and an excuse to annex Taiwan eventually."[131] But Wo-Lap Lam argues that "the focal point of Beijing's foreign policy in the foreseeable future is anti-containment, or ways and means to frustrate Washington's perceived efforts to use 'pawns' such as Taiwan ... to prevent China from assuming the quasi-superpower status it thinks it deserves."[132] He posits that "Washington no longer needs to play the China card against Moscow; and Beijing's ability to secure arms from Russia has boosted its resolve to stand up to the [United States]. It is, however, important to remember that Sino-American relations since the mid-1970s have experienced swings between

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129. Jonathan D. Pollack, "China's Taiwan Strategy: A Point of No Return?" *The China Journal*, no. 36 (July 1996): 112-13.

130. Ibid.

131. Chen Qimao, "The Taiwan Strait Crisis: Its Crux and Solutions," *Asian Survey* 36, no. 11 (November 1996): 1057.

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extremes," and that "factional dynamics within the CPP ... is a key determinant of bilateral ties."[133]

Harris notes that, until 1995, China would have preferred to maintain the status quo, but felt pressured to take action as a direct result of Teng-hui's move to improve Taipei's international standing. "Although China had not been totally relaxed about the relationship, it accepted the continuation of ambiguity in both US-Taiwan and Taiwan-China relations while holding to its two basic conditions: no declaration of independence, no foreign interference (as well as a third—no internal chaos within Taiwan)."[134] Until this time, Taiwan had effectively established *de facto* independence, although it could not promote it as such.

While the status quo was not guaranteed to hold, some viewed change skeptically. Hood views the growth of true democracy in Taiwan as having potentially contradictory effects, arguing that as Taiwan's democracy matures, it "will become increasingly independent of the Mainland, thus heightening concerns in Beijing. At the same time, democracy is Taiwan's greatest defense against any hostile attempt by China to reunite the island with the Mainland.... Similarities of language, custom, history, and philosophical tradition are no longer enough to keep Taiwan and China together, and democracy has become the strongest incentive for the people of Taiwan to seek independence."[135]

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132. Willy Wo-Lap Lam, "The Factional Dynamics in China's Taiwan Policy," *The China Journal*, no. 36 (July 1996): 117.

133. Ibid., 117-18.

134. Harris, "The Taiwan Crisis: Some Basic Realities," 129-32.

135. Steven J. Hood, "Political Change in Taiwan: The Rise of Kuomintang Factions," *Asian Survey* 36, no. 5 (May 1996): 482.

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Adding to the tension in the region, Yu-Shan Wu notes that the military maneuvers China conducted "on its southeastern coast near Taiwan" between August and November 1994 strained cross-Strait relations even further.[136] But Yahuda notes that Taiwan's actions in the 1990s drove China to take action. "By seeking to be treated as a separate state that was distinct from mainland China," he states, "Taiwan was embarking on a new approach that confronted the Beijing government with what it saw as the totally unacceptable prospect of secession by a renegade province that would in effect subvert China's unity and national coherence."[137] But Taiwan's diplomatic efforts were not yielding the results it might have hoped. By 1995, only 27 states formally recognized Taipei (see Table 3).

Shao-chuan Leng and Cheng-yi Lin posit that the end of the Cold War brought with it the demise of Communism and the resurgence of separatism, arguing that "those who advocate Taiwan independence have been encouraged by the independence of the three Baltic states and other former Soviet republics and their later admission into the United Nations."[138] While this should have been viewed as a positive development, Brecher notes that "polycentrism imposed fewer constraints on state behavior, including resort to violence," which brought about "more uncertainty about hostile coalitions, given the large number

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136. Yu-Shan Wu, "Taiwan in 1994: Managing a Critical Relationship," *Asian Survey* 35, no. 1 (January 1995): 65.

137. Michael Yahuda, "The International Standing of the Republic of China on Taiwan," *The China Quarterly*, no. 148 (December 1996): 1319.

138. Shao-chuan Leng and Cheng-yi Lin, "Political Change on Taiwan: Transition to Democracy?" *The China Quarterly*, no. 136 (December 1993): 826.

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Table 3. States that recognized the ROC as of 1995

Region	Name	Date of Recognition
Asia-Pacific	Kingdom of Tonoga	10 April 1972
	Solomon Islands	24 March 1983
	Tuvalu	19 September 1979
	Republic of Nauru	4 May 1980
Africa	Burkina Faso	2 February 1994
	Central African Republic	8 July 1991
	Gambia	13 July 1995
	Liberia	9 October 1989
	Malawi	pre-1971
	Niger	19 June 1992
	South Africa	1976
	Swaziland	pre-1971
Europe	Vatican	pre-1971
Cent/South Amer.	Bahamas	10 January 1989
	Belize	October 1989
	Costa Rica	pre-1971
	Dominican Republic	10 May 1983
	El Salvador	pre-1971
	Grenada	20 July 1989
	Guatemala	pre-1971
	Haiti	pre-1971
	Honduras	pre-1971
	Nicaragua	November 1990
	Paraguay	pre-1971
	St. Christopher & Nevis	October 1983
	St. Lucia	May 1984
	St. Vincent and Grenadines	pre-1971

Source: Yahuda, "The International Standing of the Republic of China on Taiwan," 1327.

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of unaligned states in the global system."[139] And Cabestan argues that Taiwan's democratization created additional tensions with mainland China that have "greatly widened the gap between the two Chinas" and "has clearly made impossible not only a German-style unification of the Chinese nation, but also the unsuccessful implementation of [the] 'one country, two systems' formula." He argues that economic necessity, commercial interests, and growing human links across the Strait, however, have forced Taipei to communicate and negotiate with Beijing on any number of issues.[140]

Although Beijing had placed priorities alternately on military coercion and peaceful offense in its national reunification strategy, Suishing Zhao posits that peaceful reunification has been the most desirable approach and that the use of force had been reserved as a last resort for Beijing's leaders, but he also argues that this preference should not lead one to assume that a war is unthinkable. The situation remained difficult to manage, and the PRC refused to back away from its stated goals. Beijing has clearly stated that "it will not give up the use of force should the situation require it," and has long made clear that "if any of the 'three conditions'—i.e., independence, invasion by foreign forces or disturbance—emerge on Taiwan, it would recover Taiwan by force." The missiles in 1995-96 "carried a message: do not force our hand."[141]

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139. Michael Brecher, "Crisis Escalation: Model and Findings," *International Political Science Review* 17, no. 2 (April 1996): 218.

140. Cabestan, "Taiwan's Mainland Policy," 1261.

141. Suishing Zhao, "Military Coercion and Peaceful Offence: Beijing's Strategy of National Reunification with Taiwan," *Pacific Affairs* 72, No. 4 (Winter 1999–2000): 509-10.

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SUMMARY

This chapter illustrated the significant changes in the military, diplomatic, and economic factors in the region since the 1962 crisis that directly and indirectly affected the security situation in the Strait. These factors are important elements in assessing the role of pivotal deterrence in the trilateral relationship, since they also illustrate how both China and Taiwan underwent changes in capabilities, alliances, economic independence, and diplomatic recognition; all things that can affect how one actor perceives another vis-à-vis its own situation.

Whereas Chapter V illustrated the United States' allegiance to the KMT in response to the Korean conflict and the shift in Taiwan's focus from reclamation to independence, this chapter highlighted the shift in U.S. policy toward a Communist China détente that took hold during the Nixon administration. The early 1970s saw an unprecedented level of effort toward a less ambiguous policy with the PRC, but U.S. interests in the ROC remained strong, and could not be ignored. Nixon seemed to hold a true desire to open communications with the Communists, but since his second term was ended prematurely in August 1974, his efforts were also more limited than he and the PRC leadership might have expected. Despite disruptions in U.S. political circles, mainland China's role in, and relationship with, the international community had changed greatly by 1996. Taiwan's goal of returning to the Mainland also had changed in favor of becoming an independent state; an option that the Mainland did not hold in favor.

The following, final chapter revisits the hypotheses presented in Chapter II, and addresses each one by demonstrating how the empirical data from this

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and previous chapters support or refute their fundamental assertions. It concludes with an overall assessment of the validity of pivotal deterrence as a model for explaining events in the Taiwan Strait in the last half of the 20th century, and offers some options for further study.

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CHAPTER VII

SUMMARY AND EVALUATION OF THE MODEL

This dissertation examined the role of ambiguity in U.S. security policy in the Taiwan Strait during periods of crisis and political change, and its application to the model of pivotal deterrence. Chapter I introduced the research, Chapter II discussed the methodology; Chapter III discussed the framework for the pivotal deterrence model used here; Chapter IV reviewed the literature on the trilateral relationship; and Chapters V and VI presented the empirical data on the political, military, economic, and social factors that shaped U.S. policy in the region.

This chapter summarizes the findings on the Taiwan Strait crises of 1954-55, 1958, 1962, and 1995-96. It then examines the hypotheses laid out in Chapter II. In the final section, this chapter offers an evaluation of the model's strengths and weaknesses, provides explanations for them, and presents alternatives to strengthen the model. The chapter concludes with a discussion of what can be taken away from these findings.

Throughout the process of compiling, reviewing, and presenting the empirical data related to the trilateral relationship and applying it to the pivotal deterrence model, this research sought to identify information that would either support or refute several key concepts: first, for as well as the model reflects the reality of the situation at the time of the crises, that it would provide an explanation for stability in the Strait; second, in instances where the model faces problems, that it would illustrate weaknesses in this relationship; and third, if

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there were additional data that did not fit into the model, that it would provide an alternative explanation, thereby building upon the pivotal deterrence model.

The research provided the empirical data, described in previous chapters, which served as the basis in assessing the key factors of moral hazard, alignment, interests, and benefits. These assessments, while somewhat subjective, present the strengths and weaknesses of the pivotal deterrence model as applied to the Strait.

Throughout the crises, this research shows that holistic pivotal deterrence had varying degrees of applicability. The power of the United States, combined with its policy of deliberate ambiguity, effectively prevented China from assessing that the U.S. would not intervene to save Taiwan, while it also successfully prevented Taiwan from assessing that it had the unqualified support of American power. The findings on the factors of moral hazard, alignment, interests, and benefits also illustrate the varied applicability, as discussed below (see Table 4).

The situation in the Strait meets the four requirements for pivotal deterrence to apply, as noted in Chapter II: The United States held power significantly greater than both China and Taiwan combined; the United States preferred that both maintain the status quo; the United States believed that both China and Taiwan held revisionist aims against each other; and both China and Taiwan viewed each other's potential actions as more threatening than they viewed the United States.

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Table 4. Holistic pivotal deterrent factors and effects

	1954-55	1958	1962	1995-96
China:	A	A	D	A
Insured?	n/a	n/a	n/a	Possibly
Alignment Options	Few	Few	Few	Some
U.S. Interests	Secondary	Secondary	Secondary	Secondary
Prefer U.S. Benefits?	No	No	No	Yes
Expressed Desire for Action?	Yes	Yes	No	Yes
Action Taken	Limited	Limited	None	Limited
Taiwan:	D	D	A	D
Insured?	Yes	Yes	No	n/a
Alignment Options	Few	Few	Few	Few
U.S. Interests	Secondary	Secondary	Secondary	Secondary
Prefer U.S. Benefits?	Yes	Yes	Yes	Yes
Expressed Desire for Action?	Yes	Yes	Yes	No
Action Taken	Limited	Limited	None	None

Note: A = Aggressor, D = Defender, n/a = Not Applicable. "Defender" in this context does not refer to the pivot, but to the target of the primary aggressor.

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As noted in Chapter II, the reader should recall that the model does not require that all of the independent variables apply equally relative to each other; one may be stronger than, and make up for weaknesses in, another. Nor does the model require that all of the variables apply to both aggressors at once, or for them to apply to both aggressors equally.

ASSESSMENT OF THE 1954-55 CRISIS

When the PLA shelled ROC forces on the offshore islands of Quemoy and Matsu, the United States considered it an act of Communist aggression and viewed the islands as stepping stones for attacking Taiwan. Even though Chiang Kai-shek ruled with a rather dictatorial style that did not reflect U.S. perceptions of true democracy, several factors had set the United States' focus on maintaining their support: (1) the Chinese Communists' violent overthrow of the Nationalists in 1949 and incursion into Korea in 1950 to fight against U.S. troops, (2) the fact that John Foster Dulles held Chiang in high regard as a "good Christian Gentleman," and (3) the fear of Communism advancing the "domino theory." Sending the U.S. Navy to the Strait was meant both as a protective measure for ROC forces and as a signal of U.S. intent to prevent mainland China from taking Taiwan by force. Bush notes that the U.S. commitment to protecting ROK forces, which had remained positioned on the offshore islands since the

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1949 split, was unclear, and that the United States did not know what would be required of it if it were to extend its protection to Quemoy and Matsu[1]

Insurance/Moral Hazard: 1954

The United States' "unleashing" of Chiang in 1953 probably contributed to his increasing the number of Nationalist forces on Quemoy and Matsu. Chiang strongly desired to reclaim the Mainland from the Communists in 1954, and authorized various military actions to pave the way for full military operations. At the same time, Mao felt just as strongly about taking control of Taiwan in order to make China whole again. But after the United States suffered such great losses in Korea as a direct result of the Chinese Communists' entry into the conflict, U.S. support for the Nationalists' military action against the Communists on the Mainland may have appeared a foregone conclusion.

The United States, realizing the Nationalists did not have the military capability to successfully reclaim the Mainland, and not seeking another war in Asia so soon, provided only tacit support for Taiwan's aggressive actions. While maintaining a distance from Chiang, some view sending the U.S. Navy as a clear message to Mao that the United States would not permit a Communist takeover of Taiwan. The United States did not, however, give Chiang free reign to pursue actions that would have resulted in committing U.S. forces to fight against mainland China.

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1. Richard Bush, China specialist, Brookings Institution, interview by author, 7 March 2007, Washington, D.C.

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China would have been more likely to take further steps toward liberating Taiwan if U.S. forces were not present in the Strait in 1954. Though Communist China did not have a strong maritime capability, they had previously proven their tenacity in conducting difficult operations in the face of logistical problems during the Korean War. Their operations in the early 1950s demonstrated their ability to conduct successful guerilla warfare, as well as their ability to operate successfully without conventional military logistical support. Considering these factors, it is conceivable that the PRC would have attempted to use force against Taiwan, despite a lack of what most would consider an "adequate" capability.

Alignment: 1954

Almost immediately following the Communists' victory on the Mainland, Mao sent offers of diplomacy to nations throughout the world; many, including the Soviet Union, quickly shifted diplomatic recognition from Taipei to Beijing. Many others, however, to include the United States, maintained relations with Taipei and the KMT as the official Government of China.

China maintained the support of the Soviet Union, which may have provided Beijing with the confidence to conduct aggressive operations against Taipei if it so desired, though it still is not certain to what extent Moscow would have been willing to become actively involved in such a conflict—particularly if the United States was likely to defend Taiwan against attack. It appears that the Soviets did provide some material support, but distanced itself from becoming too directly involved in Communist China's operations. This probably was a

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precaution to avoid becoming enmeshed in a situation in which it could not easily separate itself if events turned against its own interests.

Taipei maintained diplomatic relations with more states in 1954 than did China, but the numerical balance was slowly slipping away. But whether aligning with the PRC or the ROC, few countries held adequate levels of power to come close to competing with the U.S. or the U.S.S.R. Even Great Britain had little to offer in this regard, as it was still recovering from WWII. Thus, neither Taiwan nor mainland China had significant alignment options.

Interests: 1954

While the United States paid little attention to Taiwan prior to the start of the Korean War, Washington was not happy to see Mao's CPP in control of the Mainland. Taipei represented the face of anti-Communism in the region, and supporting Taiwan served a symbolic, if not highly strategic, purpose. The United States maintained an interest in containing the spread of Communism throughout the world, and viewed Taiwan as a bastion of "democratic" rule in the region, and a "domino" that it did not want to see fall.

Protecting Taiwan in the aftermath of China's 1950 intervention in the Korean War presented a situation from which the United States could not easily turn away. The spread of Communism presented a serious ideological threat to the West, pushing the Eisenhower administration to the point of threatening—albeit weakly—to use nuclear weapons in defense of Chiang's Nationalists. The Taiwan Strait provided convenient shipping lanes, and Taipei's potential fall to

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Communism presented a serious ideological threat to democracy, but the strategic balance probably would not have been significantly affected had Taiwan fallen to the Mainland in a PLA military attack, and the Strait was not necessarily critical to international commerce, which could take the longer route around Taiwan's eastern coast, if necessary.

If Taiwan did fall to the Communists, many regional specialists argue that the loss would have been more symbolic than real: While some also argue that China theoretically could have used the island to launch attacks against Japan, the Philippines, or other areas, the United States did not depend upon Taipei for logistical military support, and it did not factor into the United States' political independence. Despite all of the political and ideological reasons for supporting and protecting Taiwan against the growing threat from Communist China, it is clear that Taiwan in 1954 was a U.S. secondary interest. This is because there is no evidence to support the counter-assertion that Taiwan's loss to Communist China would have had a significant effect on the United States' security, economy, or power.

To say that the United States in 1954 did not have an interest in mainland China as a whole would be incorrect, but protecting it from the Nationalists was not a primary factor. The KMT's return to the Mainland would have been a positive turn in the eyes of Washington, but the main consideration in preventing Taiwan from attacking mainland China was not protecting of the Communists; rather, it was protecting the Nationalists from making a foolish and self-destructive move. The Nationalists would most likely have faced a devastating

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defeat unless the U.S. military became involved. In this instance, China probably was uncertain at the time exactly how far the United States would go to protect Taiwan; a situation that would not have been as ambiguous if Taiwan was a vital interest.

Benefits: 1954

Taiwan's dependence upon the United States in 1954 was practically absolute. There were no alternative sources for those benefits Taiwan needed for its continued economic, military, and political development. U.S. military equipment, economic grants, trade flows, diplomatic recognition, and physical protection were just some of the factors upon which Taipei based its symbiotic relationship with the United States.

The United States did not maintain trade relations with Communist China at this juncture. It was receiving no significant benefits from the United States in 1954, and relied mainly upon the Soviet Bloc for its foreign trade, as well as upon some European and African countries. While the CPP initially made efforts to maintain trade relations with anyone previously doing business with the Mainland, it eventually took steps to gain control over many foreign companies operating in China. Overall, this research found little evidence that the PRC was beholden to any Western states' benefits for its survival; this element of pivotal deterrence, therefore, probably does not apply to the Mainland as effectively as it does in other areas.

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ASSESSMENT OF THE 1958 CRISIS

The situation during this crisis was very similar to the previous crisis in 1954: the PLA was shelling the ROC forces, which remained on the offshore islands; the United States sent naval forces into the Strait to provide an element of support to the KMT's resupply efforts; and U.S. and Communist Chinese forces did not directly engage each other.

Insurance/Moral Hazard: 1958

The United States in 1958 remained strongly opposed to Communist aggression, and Taipei may have viewed the passing of the 1954 Mutual Defense Treaty during the previous crisis as an indicator that Taiwan could continue its attempts to control Quemoy and Matsu by force. And since the U.S. Navy came to the Nationalists' rescue in September 1954, Taipei could have been relatively confident that the United States would provide military backing again. However, while the Eisenhower administration seemed to support small-scale, primarily covert, Nationalist military operations against the Mainland and would provide military equipment to Taiwan, there are no obvious indicators that the administration was willing to support escalation beyond those levels, or that it would enter into direct conflict with mainland China.

The PRC at this juncture could make several judgments about the United States based upon historical and contemporary actions and statements: Washington continued its support of the KMT and of Taipei's claim to the legitimate rule of China; the U.S. was willing to put its military forces in harm's

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way to protect the Nationalist forces; and any hostile action against U.S. forces in the Strait was likely to provoke a military response. However, there also were few indicators with which to judge the degree to which U.S. forces would intervene to protect the Nationalists, how far the Chinese Communists could push its offensive actions without provoking the United States, or what response would come from a strike—whether accidental or intentional—against U.S. military forces that were likely to return to the area.

The PRC most likely held a similar position in 1958 as it did during the previous crisis four years earlier. The research has identified no information to suggest that Mao's views had changed since that time, despite the United States Navy's previous intervention in the Strait. Motivations for changing the status quo still ran high on both sides of the Strait at this point and both sides probably also would have been more likely to take action—regardless of potential success rates—if the United States had provided assurances that it would have supported such actions.

Alignment: 1958

During the 1958 crisis, Sino-Soviet relations had already started to take a turn for the worse, and it seems that Mao was relying on the collective power of the Chinese people to carry Beijing through the crisis and into the Great Leap Forward. With the PRC's international status on the line, Mao most likely considered it his duty to make Beijing the world leader of the Communist Party. This situation did not, however, present China with additional alignment options;

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rhetoric is no substitution for political, economic, diplomatic, or military power—all of which Beijing still was lacking toward the end of the decade.

Taipei was faring no better in 1958 than in 1954, as the number of states shifting diplomatic recognition to Beijing continued to increase. Although Taiwan's economy continued to grow, providing the benefit of stronger trade relations with other countries than the Mainland had at the time, the United States remained Taiwan's primary source of protection and support.

Interests: 1958

With the passing of only several years since the previous crisis, the United States still maintained its staunch anti-Communist position and its fear of falling dominoes. Chiang may also have built some credibility through several years of maintaining the status quo. But despite these factors, nothing had changed in regard to Taiwan's status as a secondary interest. Although the U.S. Navy again sent ships to the region, the minimally invasive mission of such a capable military force was an indication of Taiwan's limited importance to the United States.

Benefits: 1958

Taiwan's economy was doing very well in 1958 as compared to just several years earlier, but Taipei remained strongly reliant on U.S. benefits, which were largely responsible for its continued economic growth. While reclaiming the Mainland remained the primary goal of the ROC, it could not risk losing the benefits that the United States provided at the time, as no other country that

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supported Taiwan at this juncture was able to replace what it received from the United States.

While continuing to rely on the Soviet Union to some degree, mainland China's economy seemed relatively stable by early1958—prior to the Great Leap Forward. Although the Sino-Soviet relationship was already starting to falter, possibly causing Beijing to question whether it could continue to support its needs on its own or might have to turn to the West as an alternative source, the PRC did not rely on benefits from the United States at this point.

ASSESSMENT OF THE 1962 CRISIS

This juncture presented a unique opportunity to Taiwan; presenting probably its greatest chance of military success against the Mainland and of reclaiming control of its government. But despite this opportunity, the United States decided to maintain the status quo in the Strait. This juncture represents the start of a new era in the region, and sets the stage for the coming shift in Sino-American relations.

Insurance/Moral Hazard: 1962

Taipei in 1962 was determined to strike at mainland China, which was in a weakened position following Mao's failed Great Leap Forward. While the lack of accurate information on China's defensive military capabilities at the time makes it difficult to be certain how successful the Nationalist forces could been in any such attempt, it is unlikely that they could have been successful without the

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United States. Despite continuing to receive arms from the United States, Taiwan still probably did not have sufficient military capability to retake mainland China on its own, but the data suggests that Chiang most likely would have attempted direct action against the PRC if the United States had provided military backing. The Kennedy administration refused to support this proposal, however, which soon faded away.

Based on the severity of the Great Leap Forward's negative impact on the Mainland, the PRC's military capabilities may have degraded to a point where Chiang had good reason to believe that his forces had a better chance of success against the PLA at that time than ever before. But the data suggests that the ROC forces would have relied on U.S. military support to successfully retake the Mainland in any event.

Alignment: 1962

By this juncture, Taiwan's diplomatic relations had been slipping on a downward slope and there still were few states, whether for or against the ROC, that could have backed its move toward reclaiming the Mainland. Taipei still maintained relations with a number of states at this point, but none of them could provide significant protection in the event of conflict with the Mainland. Chiang wanted to exploit China's weaknesses that the Great Leap Forward created, but the United States would not commit to providing offensive or defensive military support to Taiwan for such actions. This left Taipei without the powerful alliance it needed to seriously consider any large-scale attack against the Mainland.

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Because this research considers Taiwan to be the aggressor at this juncture, this factor of holistic pivotal deterrence is considered to have been effective because Chiang had no other practical sources of support for conducting attacks against mainland China.

Sino-Soviet relations by this juncture had become rocky at best. The PRC was making consistent gains in the diplomatic arena, as an increasing number of countries had established diplomatic relationships with Beijing since 1958. While increasing in number, however, China's alliances were not bringing significant power to the relationship. Although some of these countries maintained military capabilities that were adequate for their own national defense, most probably would have been incapable of maintaining sufficient forward deployments in the Strait.

Interests: 1962

The situation in the Strait remained largely unchanged in regard to U.S. interests. Taiwan's economy and military strength were both growing; primarily as a direct result of U.S. support. But despite the large amounts of money the United States poured into Taiwan, it still was not a vital interest. In fact, the same economic and social devastation on the Mainland that made it an inviting target of opportunity to the Nationalists most likely also made the Chinese Communists appear less of a threat to the United States. With China in its weakened position, the United States would have had even less reason than before to support conflict in the Strait.

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The United States had no apparent interest, let alone vital, in allowing Chiang to attempt military action against the Mainland at this point. Just as years of maintaining the status quo had most likely provided Taipei with an air of legitimacy, so too might it have provided Beijing with the same. After 13 years of control over the Mainland, the PLA had grown to a level that probably exceeded realistic expectations of any possible military action. By this point, maintaining the status quo may have overridden any interest the United States might have previously held in the KMT's reclaiming mainland China, thereby supporting the holistic pivotal deterrence model.

Benefits: 1962

While the ROC's economy in 1962 was making progress, Taipei remained highly dependent upon U.S. economic, political, and military support, above which it could not place its desires to take advantage of the Mainland's weakness. It is fairly clear that Taipei could not have survived without the United States backing it up. Even if the KMT could have conducted the military operations on its own, however, Taipei's reliance on other forms of U.S. support clearly overshadowed Chiang's desire to reclaim China and left it largely subject to the desires of Washington.

Although Beijing's list of states with which it held diplomatic relations continued to grow, its relations with Moscow by this juncture were severely degraded, as probably was the PRC's confidence in Soviet promises of military protection. Despite desperate conditions on the Mainland—where the Great

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Leap Forward had devastated the Mainland's economy, resulted in countless deaths, and most likely caused serious damage to China's defensive capabilities—the PRC maintained its ideology of self-reliance, and did not want or need much of significance from the United States.

ASSESSMENT OF THE 1995-96 CRISIS

Social opportunities remained tightly controlled on the Mainland, with the government limiting the flow of information in and out of the country, and the strain of an ever-growing population. This situation seems to have been a bit different than during the previous junctures, however. China during this crisis appeared more intent on reminding the international community that it was still relevant than on seriously preparing for conflict or on actually applying military force against Taiwan. The relatively limited Chinese missile launches and military exercises probably did not present a real threat to Taiwan, and most likely would have had little effect even if the missiles were armed with explosive (non-nuclear) warheads. Beijing's objective behind these exercises probably was directed at alerting Washington as much as, or more than, Taipei.

While many argue that China's firing of missiles toward Taiwan was merely a political statement and was never seriously intended to escalate to war, however, one may argue that pivotal deterrence precluded the option from being exercised. Sino-American relations had changed by 1996, both diplomatically and economically. The United States abandoned recognition of Taipei for Beijing in 1972, and while the United States was still the primary supplier of military

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equipment to Taiwan, the PRC had established significant trade balances with the United States, and a large portion of its economy relied on U.S. imports of its manufactured goods. Lee Teng-hui's provocative trip to the United States and his speech at Cornell University raised legitimate concerns in Beijing that Taiwan might take unacceptable action toward liberation, but these probably did not warrant a direct conflict.

Insurance/Moral Hazard: 1995-96

Much had changed in the regional dynamic since the previous crisis in 1962; perhaps the most significant of which was the United States' shift of diplomatic recognition and representation from the ROC to the PRC in 1979. While the shift had opened many new economic and political doors to China, however, the United States maintained its opposition against mainland China's use of force to reclaim Taiwan. While the Cold War had come to an end, PRC-ROC rivalries and conflict had not.

The U.S. position toward Taiwan leading up to the crisis does not appear to have been overly emboldening to Taipei. Although the U.S. State Department allowed Lee Teng-hui to visit the United States, this research found no indication that U.S. policy encouraged or supported Lee's provocative statements regarding Taiwan's independence. It is not clear whether Lee miscalculated U.S. support for such statements or that he made a deliberate, unilateral decision to "test the waters" of the independence movement, but the U.S. support for Lee at the time does appear to have sent mixed messages, which may have falsely insured him.

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In the end, while this particular crisis ended relatively quietly, there seems little reason to doubt that China would take immediate steps to reclaim Taiwan if Washington were to disavow itself from Taipei's security structure.

Alignment: 1995-96

By 1995, the PRC had diplomatic relations with more than 150 countries; many of which had become significant military powers. Beijing was now one of the five permanent members on the Security Council with veto powers—along with the United States, Russia, France, and Great Britain. China still had not developed a superpower's economy, however, and it faced international criticism for its poor record on human rights. But while Beijing had become more mainstream in the eyes of the international community, it did not have *carte blanche* to push its agendas too far.

Most states that had withdrawn their diplomatic recognition of the ROC still maintained quasi- or non-official offices—such as the AIT—which continued serving many of the same functions as their prior Embassies. Thus, while Taiwan had lost most of its *de jure* diplomatic status within the international community, its *de facto* status as an independent body—though many still considered it an integral part of China—provided it with increased legitimacy in the court of world opinion, and helped it maintain its relevance as an economic power separate from the PRC. With the fall of the Soviet Union in 1991, mainland China took the Soviet's place as the predominant threat to international stability. It did not, however, hold strategic international relationships with

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powers that could effectively balance the United States in the region, thereby leaving it with few real alignment options.

Interests: 1995-96

Taiwan in 1995 remained important to the United States: Its economy was booming, it was an international center for the electronics industry, and it had shifted from an authoritarian democracy to a more representative one. The historical ties that developed between Taiwan and the United States were very strong, and the "China lobby"[2] made sure that the U.S. Congress did not forget Taiwan's importance to international commerce and its relevance to the United States. It had not, however, become a vital interest, as it was not directly linked to the security, economy, or power of the United States.

An often-quoted statement from a Chinese official—possibly PLA General Xiong Guangkai—to a U.S. official exemplifies the situation: "You do not have the strategic leverage that you had in the 1950s when you threatened nuclear strikes on us. You were able to do that because we could not hit back. But if you hit us now, we can hit back. So you will not make those threats. In the end you care more about Los Angeles than you do about Taipei."[3] While convincing most Americans otherwise would be quite difficult, this truth also emphasized Taiwan's status as a secondary interest to the United States.

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2. Recognizing that there are "China lobbies" for both the PRC and ROC, this paper uses it in the context of those who lobby for the ROC.

3. Joseph Cirincione, "Did China Threaten to Bomb Los Angeles?" Carnegie Endowment for International Peace, Proliferation Brief 4, no. 4, http://www

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Benefits: 1995-96

While Taiwan maintains a relatively modern military, this research found no indication that it would be capable of adequately defending itself against a full-scale attack from the Mainland unless the U.S. was involved; if not in an active role, then at least supporting the Taiwanese forces with logistical and command-and-control support. This, along with U.S. arms sales, remains a benefit that it can not afford to lose. Of the 27 countries that recognized the ROC at this time, none had the means to replace the benefits United States in this regard.

The PRC's economy had experienced a significant transformation in the previous decades, and globalization had tied it to trade with many countries, including the United States and Taiwan. While U.S.-Chinese trade made up no small segment of China's economic growth and stability, however, this research found no indication that China's economy was overly dependent upon the United States; most likely due to its well-diversified international trade and investments. This independence prevented the full application of the variable at this juncture.

REVISITING THE HYPOTHESES

To assess how well the overall model applied to the case studies, this section revisits each of the four hypotheses that comprise the independent variables in the overall trilateral security relationship. This will illustrate the strengths and weaknesses of holistic pivotal deterrence. These assessments are

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.carnegieendowment.org/publications.index.cfm?fa=view&id=651 (accessed 5 June 2006).

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subjective, however, and should be viewed as a window into, and not a complete picture of every factor comprising, the trilateral relationship in the Strait.

Hypothesis 1: Insurance/Moral Hazard

This first hypothesis posited that providing protection against the negative effects of specific actions will encourage an actor to take actions that they would not otherwise take. As applied to the Strait, the hypothesis made the following assertion:

H_1: Holistic pivotal deterrence was more likely to fail when the United States insured China or Taiwan against the risks of their behavior. Conversely, holistic pivotal deterrence was more likely to succeed when the United States did not insure China or Taiwan against the risks of their behavior.

What exactly it meant for the United States to "insure" a third party held different connotations for both Taiwan and China throughout these crises. For Taipei, it meant that the United States would have sent military forces to protect Taiwan, whether it initiated military action against the Mainland or provoked a Chinese Communist military conflict by announcing its independence. For China, however, it meant that the United States would have promised to stay out of any aggressive actions it took against Taiwan. The empirical data in this research, however, shows that the United States insured neither the PRC nor the ROC in any of the four crises.

U.S. policy consistently kept both the Chinese Communists and Nationalists on a leash by passively condoning limited operations against each

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other, such as artillery strikes and special operations incursions, while not condoning extensive military operations that might have provoked an escalation by either side toward changing the status quo. Though the United States would not have actively supported the PRC in such action, Washington could have taken steps to assure Beijing that the United States would not get involved. If the United States had provided any such assurance, however, the PRC may have been even more aggressive against the ROC.

Hypothesis 2: Alignment

The second hypothesis asserted that whether states will use force in a situation that goes against the wishes of a powerful pivot depends upon whether the aggressor has other powerful alliance alternatives or is limited in its alliances. As applied to the Strait, the hypothesis makes the following assertion:

H_2: Deterrence was more likely to succeed when China's and Taiwan's alignment options were scarce. Conversely, deterrence was more likely to *fail* when China's and Taiwan's alignment options were abundant.

As noted previously, alignment with others in-and-of itself was insufficient as a pivotal deterrence variable; it had to offer a level of support that could offset, or balance, the pivot—not simply present a conglomeration of insignificant allies. Throughout these crises, China and Taiwan both had limited effective alignment options, regardless of their diplomatic relations with other states. The Soviet Union—the only other superpower with deployable military forces believed capable of balancing the United States—supported China in the 1954 and 1958

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crises, to some extent, but their waning relationship probably restricted any support for potential conflict with the United States. According to Oleg Kalugin[4] —a retired Major General from the Soviet KGB and now a U.S. citizen— the U.S.S.R. (and later, Russia) would have most likely provided political, and some material, support to the PRC in times of crisis, but never would have directly intervened in any of the Taiwan Strait crises because it was not in its geopolitical interests to do so. The historical record appears to support Kalugin's assessment of the Soviet's probable potential role.

Despite its becoming an important economic figure in the world, Taiwan remained almost totally reliant upon U.S. support and protection throughout each of these crises. Taipei's official relations with other countries continued to dwindle since 1949, and although it had few alignment options, it still sought to take action against the Mainland until Washington denied its support. This meant that it could not afford to break ranks with Washington.

While the research suggests that alignment was a severely limiting factor for Taiwan, it probably was less relevant for mainland China, whose national focus on ideological struggle, benefits of sacrifice, and duty to service made it largely independent of external support. It probably is safe to say that in both the 1954 and 1958 crises, Taipei also did not have many viable alternatives upon which to rely for its protection and survival, aside from the United States. It would be highly speculative to assert whether Taipei would have acted differently if alternative alignment options were available at the time, but empirical data

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4. Oleg Kalugin, former senior KGB official, interview by author, 2 June 2006,

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indicate that Taipei made enough statements advocating aggression to make the argument that, were another state more able and willing to support changing the status quo, Chiang probably would have attempted to do so.

Hypothesis 3: Alignment

Previous chapters noted that ambiguity is a central element of pivotal deterrence. Whereas Crawford's model argues that "a pivotal deterrence policy will be more likely to succeed the more intensely it is motivated by the pivot's vital interests,"[5] holistic pivotal deterrence presents the opposite argument; that secondary interests invited ambiguity, and vital interests invited clarity of action—thus making secondary interests the better indicator for potentially successful application of pivotal deterrence. This is expressed in the third hypothesis:

H_3: With the United States as a preponderant-power pivot, holistic pivotal deterrence was more likely to succeed when interests in the Strait were secondary. Conversely, holistic pivotal deterrence was *less* likely to succeed when interests were *vital* (i.e., secondary interests invited ambiguity; vital interests invited clarity and insured action).

This research posits that the United States maintained a balance between interests and conviction in the Strait, but never leaned so far toward one side as to present an unequivocal statement of support for either Beijing or Taipei. This gave the United States the flexibility to remain ambiguous as to whether it would

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Alexandria, VA.

5. Crawford, *Pivotal Deterrence, 32.*

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come to Taipei's rescue with military force if it became too aggressive or pushed too far toward independence.

Overall, the data seem to support this hypothesis. Because Taiwan was not actually a vital interest to the United States, there was no certainty that America would become involved; the Mainland was left to its own judgment as to whether the United States would become involved upon any escalation of a conflict. Furthermore, and particularly in the early years of the Cold War, the United States maintained an interest in containing Communism wherever it appeared or threatened to spread; regardless of whether its target was truly democratic, which Taipei, incidentally, was not at the time. Also, the continued rule of the CPP clearly was not a vital interest to the United States.

Hypothesis 4: Benefits

Crawford's model of pivotal deterrence focuses on military power as a primary element of the model's independent variables. This model, however, also includes non-military elements—the benefits variable. This model's final hypothesis asserts that either actor would avoid aggressive behavior if it meant losing something it would otherwise have kept or gained under conditions of non-violence; it makes the following assertion:

H_4: Holistic pivotal deterrence was likely to succeed when China and Taiwan each wanted to get or keep what benefits the United States could give or take away more than what they wanted to take from their rival. Conversely, holistic pivotal deterrence was likely to fail when China and

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Taiwan coveted something of their rival's more than what they would get or keep from the United States.

This additional variable, which can include any number of tangible and intangible factors, takes into consideration non-military elements of deterrence. It posits that when benefits are clearly defined, they can be effective tools of a holistic pivotal deterrence approach. In the case of Taiwan, the United States effectively held all the cards; Taipei desperately needed military support from the United States in 1954 and 1958, and was paralyzed without it in 1962 when it was the primary aggressor state. But Taiwan was also heavily dependent upon the United States for economic support throughout these junctures. By 1996, a large proportion of Taiwan's benefits still came from the United States, but throughout all these crises, Taipei has shown that it would take advantage of the political situation whenever it saw an opportunity to exploit U.S. benefits. Chiang seemed to understand that the United States would let him push the boundaries quite far before pulling him back in.

The United States provided few benefits to China in 1954 and 1958, even though it probably could have provided a significant amount of support. What the PRC did not get from the Soviet Union, it did not seem to need from the United States. In fact, there were periods where China seemed willing to risk ruin to maintain its goal of reunifying Taiwan with the Mainland. But while this was the case during the Mao Zedong era, the United States probably had somewhat more influence in this regard in 1996 as a result of globalization, which may have

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played a role in developing a framework against which benefits could be leveraged more effectively than in the past.

Beijing generally has never relied on U.S. "carrots", while it has consistently admonished it's "sticks," suggesting that China did not need anything immediately, and that it could wait to achieve its goals on its own terms, rather than accepting America's. Having demonstrated its willingness to sacrifice its well-being for ideology, combined with the limited benefits the U.S. could offer, the PRC did not seem constrained by this factor in the earlier crises. In 1996, however, it had become more integrated into the international system. While it is possible that China's missile launches and exercises in 1996 might have been the full extent of its military intentions, it also is possible that Beijing recognized the limit to which it could push military provocation without directly involving the United States, and took a calculated risk to remind Taipei and Washington of its position.

EXPLAINING THE CALM BETWEEN THE CRISES

If the model explains why the pivot constrained the aggressors from escalating the conflicts noted in the case study, what explains the periods of relative calm in-between? It is this author's position that—based on the readings and on discussions with regional specialists such as Heer, Culver, Godwin, Bush, and Freeman[6]—that the crises occurred when the aggressors believed the time

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6. Paul Heer and John Culver, senior U.S. Government China specialists, interview by author, 4 March 2007, Washington, D.C.; Paul Godwin, China specialist, National War College (retired), interview by author, 6 March 2007, Telephone; Bush,

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was right for one or the other to test or to push the limits vis-à-vis the status quo. It is likely that the decisions were based on misperceptions of U.S. support for maintaining this status quo. Although these misperceptions did lead to crises, however, the aggressors ultimately pulled back after realizing that their testing of the limits was a mistake at the time.

After defeating the KMT and driving them from Beijing, Communist China was prepared to reclaim Taiwan by force, but the Korean War disrupted Communist China's plans. Consequently, they took the next few years to prepare to attack Nationalist forces positioned on the offshore islands. While the events of 1954-55 and 1958 were two separate crises from a U.S. viewpoint, the period in-between was merely a lull from the Chinese perspective.

After 1958, Chiang needed to regroup and develop a new strategy for returning to the Mainland. In the four years leading up to President Kennedy's denial of support, and for a number of years following, it is highly likely that Taipei simply did not know how to approach the problem of defeating the PRC without clear, credible, and complete U.S. support; particularly without alignment options. Chiang openly held onto his goal of returning to the Mainland until his death on 5 April 1975, but Taipei probably understood long before then that the military option was long obsolete. Neither China nor Taiwan held widespread support for their aggressive goals, and political change was becoming recognized as the only option that would be acceptable in the eyes of the international community.

Interview. (see footnote 1); Chas Freeman, Former Ambassador, Assistant Secretary of Defense for International Affairs, and U.S. State Department Director of Chinese Affairs, interview by author, 8 March 2007, Washington, D.C.

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Another explanation for the period of calm between the 1962 and 1995-96 crises is that Taiwan and China both were experiencing rapid economic and political change. Facing a United States-China rapprochement, Taiwan was In the midst of "reinventing itself" in order to maintain relevance. In short, both sides were too busy with the realities of life, which they had at least partially ignored, to design and implement a new and effective strategy for disrupting the status quo in their favor. This was the case until the events of 1995-96 forced China to take action in response to Lee Teng-hui's rhetoric about an independent Taiwan. While Beijing knew it had to do something, its decisions probably were not the most effective option it could have chosen.

So while the model explains how the aggressors were constrained when they did engage in military operations, the interim periods of calm were the result of a great many social, political, economic, and other factors. This is an issue best suited for discussion among regional specialists, but for the purposes of this dissertation, this author posits that the views presented by the readings and by several highly regarded China specialists sufficiently support this explanation.

FURTHER DEVELOPMENT AND APPLICATION OF THE MODEL

Whereas Crawford's pivotal deterrence model only considered hard (military) power as deterrent elements, this research demonstrated how an alternative, holistic model can also employ soft power (economic, political, and social factors) in a similar pivotal deterrence framework. Chapters IV, V, and VII provided the background data to illustrate the many factors that affected the

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trilateral security relationship. By applying this data to the model's hypotheses, this dissertation demonstrated that the pivotal deterrence model can explain the absence of full-scale war in the Taiwan Strait crises.

Referring back to Chapter II, the situation in the Strait predominantly reflects Scenario 3, in that China would have most likely taken further action against Taiwan in 1954, 1958, and 1996 if the United States had remained neutral (while, in theory, China would also have taken action if the United States aligned with it against Taiwan, such alignment is not realistic in this particular relationship). Moreover, Taiwan could not act without the support of the United States; that is, it could not take action if the United States remained neutral. Scenario 1, therefore, did not apply to Taiwan, and Scenario 2 did not apply to mainland China (see Table 5). This is largely because China, in 1954 and 1958, did not need the benefits that the pivot—the United States—could provide. While relatively strong variables can help to balance one or more relatively weak variables, such balancing requires that the aggressor consider the weak variable be relevant to some measurable degree.

This research addressed many of the strengths of pivotal deterrence, both the original and holistic models, as an alternative to more traditional approaches. It demonstrated how, by viewing events through this lens, we can understand how and why various factors can affect security relationships, and how uncertainty can constrain two aggressors who each have something to lose or gain. For all its strengths, however, the holistic pivotal deterrence model remains far from perfect for explaining all the dynamics of the Taiwan Strait crises.

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Table 5. Were the holistic pivotal deterrence variables successful in the Strait?

Crisis Date	Hypothesis / Variable H1	H2	H3	H4	Scenario Demonstrated
China					
1954-55	n/a	Yes	Yes	No	3
1958	n/a	Yes	Yes	No	3
1962	n/a	Yes	Yes	n/a	3
1996	Yes	Yes	Yes	Maybe	3
Taiwan					
1954-55	Yes	Yes	Yes	Yes	3
1958	Yes	Yes	Yes	Yes	3
1962	Yes	Yes	Yes	Yes	3
1996	n/a	Yes	Yes	Yes	3

Note: n/a = Not applicable

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There are several areas of difficulty with this model as applied to the Strait. Because so much has not been widely published or understood about the actual dynamics in effect during the crisis junctures—such as exactly what Chinese and Taiwanese political and military leaders were thinking as events unfolded or how they perceived the situations—any assessment of these junctures must accept that much of the available information is biased, incomplete, and possibly incorrect. Also, because many events in the Strait occurred so long ago and because Chinese-to-English translation of primary documents has not progressed very quickly or on a large scale, the reliance on secondary data or Western-based primary data can be viewed as a weakness for supporting these particular cases.

In the course of conducting this research, the author discovered several weaknesses of the holistic pivotal deterrence model, and also recognized mitigating factors to limit the effects of these weaknesses. Because the model is based largely on perceptions, it is vulnerable to human misperceptions in several areas: (1) On the variable of insurance/moral hazard, one or more aggressor may falsely believe that the pivot is offering to insure them. This can be mitigated by the pivot being engaged with both aggressors, while remaining ambiguous as to the level of support it is willing to provide in specific scenarios. (2) On the variable of alignment options, one or more aggressor may believe that its allies are more powerful than they really are, or may falsely believe that powerful allies support them where they do not. This can be mitigated by engaging in psychological operations, such as exposing the weaknesses of an

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aggressors' potential allies. (3) On the variable of interests, one or more aggressor may believe it is of vital interest to the pivot where it is not. This can be mitigated by the pivot occasionally allowing the aggressor to feel unimportant and vulnerable when it expects attention and support. And (4) on the variable of benefits, many of the social, political, and economic factors may not apply to non-developed states or actors that either do not have an applicable infrastructure that can benefit or suffer from gains or losses, or that do not exhibit at least a thin rationality.

While military force, at some level, can be used nearly universally, it is not always effective; and the other factors may not be useful as leverage against certain targets of influence. Since these factors are more difficult to actively mitigate in situations where the aggressors are considered irrational, the pivot must conduct an in-depth assessment of the aggressors prior to applying the model. Furthermore, such assessments may help to identify points of vulnerability to which one or more variable may be particularly effective. For example, the pivot may identify a key need that benefits can leverage, or perhaps it can create a dependency in the aggressor. Alternatively, the potential pivot may chose to apply a different deterrence approach altogether.

There is a limitation, which is not easily resolved, to applying the leverages afforded by this model beyond the theoretical realm and into the reality of international geopolitical situations: As Godwin notes, the pivot must be willing and able to absorb the costs of applying the leverage it intends to use against the

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aggressors.[7] Leverage comes at a price—whether monetary or political—and if applied haphazardly, these costs will eventually come to a point of diminishing returns where a rational pivot will have to change course. While this might not cause the overall deterrence strategy to fail, it will at least weaken the pivot's relative position in the relationship. As such, the pivot must identify those levers that it may be forced to use, and to assess the impact they would have on its own welfare.

The findings of this research provide examples of, and insight into, how the power of ambiguity can combine with the elements of insurance, alignment, interests, and benefits to provide a deterrent effect. Future research may identify additional or alternative factors that make the model even stronger, but these changes most likely will be dependent upon the specific characteristics of the actors involved. The examples presented herein can be used in developing and applying future security strategies in extended third-party symbiotic deterrence relationships by identifying those factors which a pivot can attempt to manipulate for maximum leverage. These strategies can apply to relationships reflecting any of the three scenarios identified in Chapter II.

While every security situation is unique, and the model presented in this dissertation may not be applicable in many cases, this research demonstrated how a security strategy based upon a holistic pivotal deterrence model can constrain the actions of two aggressor states without the pivot having to rely solely on balance of power. In the end, however, it is incumbent upon the pivot

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7. Godwin, interview. (see footnote 6).

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to properly assess and manage all of the independent variables before determining whether to apply this model to a particular situation. While not universal, this model presents one more lens through which academics, policymakers, and others may choose to view and approach third-party deterrence relationships.

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